

ANNUAL REPORT 2019



SUZUKI MOTOR CORPORATION

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Minami-Ku, Hamamatsu,
Shizuoka, Japan 432-8611
<https://www.globalsuzuki.com>



Representative Director and President



First of all, with respect to the improper conducts regarding the final vehicle inspection in the plants that we reported to the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) on 26 September 2019, we submitted our report which contains preventative measures for such inspection based on the results of the investigation and advice of outside experts to the MLIT and disclosed it on 12 April 2019 while we have decided to recall vehicles related to this case. We sincerely apologise for the enormous inconvenience and concerns this issue has caused to our various stakeholders, such as customers, partners. The board of directors will strive to establish a compliance program, risk management and internal control systems for every task including final inspections and strengthen supervision with a sense of serious crisis. From now on, we, the employers and employees, will unite together with a sense of crisis, to take the necessary measures ultimately and continuously.

Now, the automobile industry is undergoing a period of great transformation. In this period of transformation, it is necessary to have a concrete vision of what the Company should be 10 or 15 years in the future, as a long-term view, and go back to the present from there to consider what the Company should do from now, instead of merely continuing as we are.

Around 2030, the Indian market may grow to a scale of 10 million units. If the Group can maintain its current share of 50%, it will have a size of 5 million units. With the assumption that the Group will sell 2 million units in other markets, overall sales of the Group will be 7 million units. These figures are theoretical values rather than a plan. The Group will continue to strive for future growth. Also, we believe that committing to the Indian market will lead to our growth in other markets, through deploying the developed products worldwide.

Compared with now, it is totally uncharted territory that is more than twice as large. All employees, including the management team, will be required to change their mindset and distribute effectively the management resources. In that sense, the efforts we make based on this long-term view are challenges that decide the Group's future, and they should be made promptly. We will commit ourselves to these challenges on a company-wide basis as Team Suzuki. Instead of top-down management waiting for direction, each and every member of the Team Suzuki will be responsible to propose voluntarily, have numerous discussions, set the vectors in the same direction, and tackle as one toward challenges. To do so, we will nurture human resources that can voluntarily come up with ideas and make actions, as well as make a working environment that motivates the employees.

Toward this long-term view, we are actively taking on ESG (Environment, Social, and Governance) issues as well.

As for environment, in addition to making our specialised small cars, we are actively taking on developing new high-efficiency powertrain, spreading and enhancing hybrids, and newly developing EVs as well. The Group will establish the next plan after the Suzuki Environmental Plan 2020, while also work on formulating an environmental vision based on the long-term view that is essential for the Group to grow continuously.

As for society, we will place product quality as the most important issue and make the utmost efforts for our customers to continuously use the products with ease by being quality conscious among all departments of the Company. We will also proactively address contributions to the community, investment in people, development of human resources, and work safety.

As for governance, through fair and efficient activities, we wish to be a company trusted by all of our stakeholders, and sustainably develop by further contributing to the global society. To realise this, we will promote the corporate governance structure in all fields including the final inspection, and strengthen the management structure and efforts for compliance.

We will work hard to establish a strong foundation to regain trust and strive to create and provide valuable products and services to increase our enterprise value.

Corporate Philosophy

Message from the President | Corporate Philosophy | SUZUKI HISTORY | At a Glance | Global Network | Product Lineup

Basic policy for company management

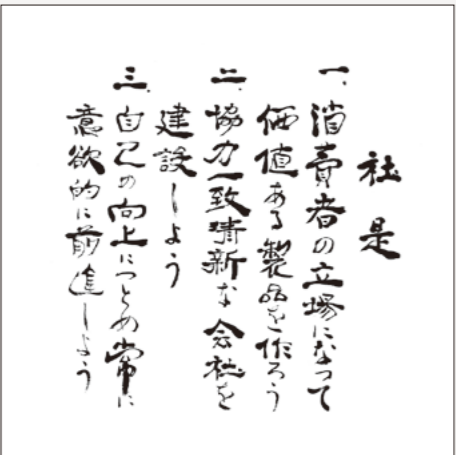
The Group has been placing “Develop products of superior value by focussing on the customer” as the first paragraph of the mission statement. We will constantly make the best effort to create truly valuable products that satisfy our customers.

Under the slogan “Small cars for a big future”, we will work toward manufacture of “small cars” and “environmentally-friendly products” which are wanted by our customers. We will also work on lean, efficient and sound management by emphasising the “Smaller, Fewer, Lighter, Shorter, and Neater” concept in all areas while complying with laws and prioritising safety and quality.

Mission statement

In 1962, Suzuki established the “Mission Statement” which indicates the corporate policy of Suzuki. It sets goals to strive for accomplishing corporation’s social missions, for the corporate organisation that the one belongs to, and for the one’s own self.

With the motto “products of superior value”, all employees are making daily efforts in creating value-packed products.



Suzuki Group mission statement
(established in 1962)

1. Develop products of superior value by focussing on the customer
2. Establish a refreshing and innovative company through teamwork
3. Strive for individual excellence through continuous improvement

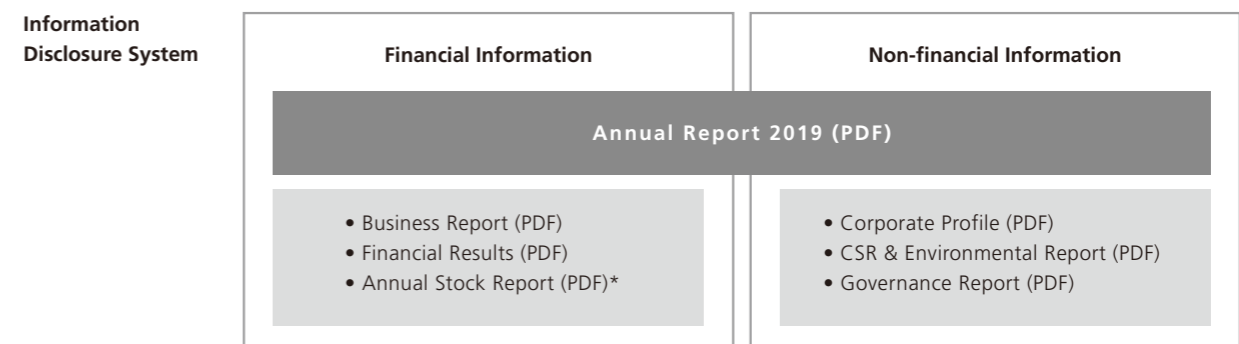
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Editorial Policy | In order for the Suzuki Group to continuously grow for the next 100 years, the Company is promoting various initiatives. This report is published in view of our stakeholders including shareholders, investors, and employees, to understand those initiatives. ESG information is fulfilled for this year by utilising the materiality point of view. Financial and non-financial information are also available at our website.

Period Covered | The period covered by this report is FY2018 (from 1 April 2018 through 31 March 2019). However, this report also contains descriptions on some activities taking place before or after that time period.

Information Covered | This report covers information about not only Suzuki Motor Corporation, but also domestic and overseas Suzuki Group companies. (Unless “related companies”, “dealers”, or “overseas” is indicated in each description, the information is related to Suzuki Motor Corporation.)

Referred Guidelines | “Environmental Reporting Guidelines 2012” by the Ministry of the Environment, Global Reporting Initiative (GRI) Standards, etc.



* In Japanese language only

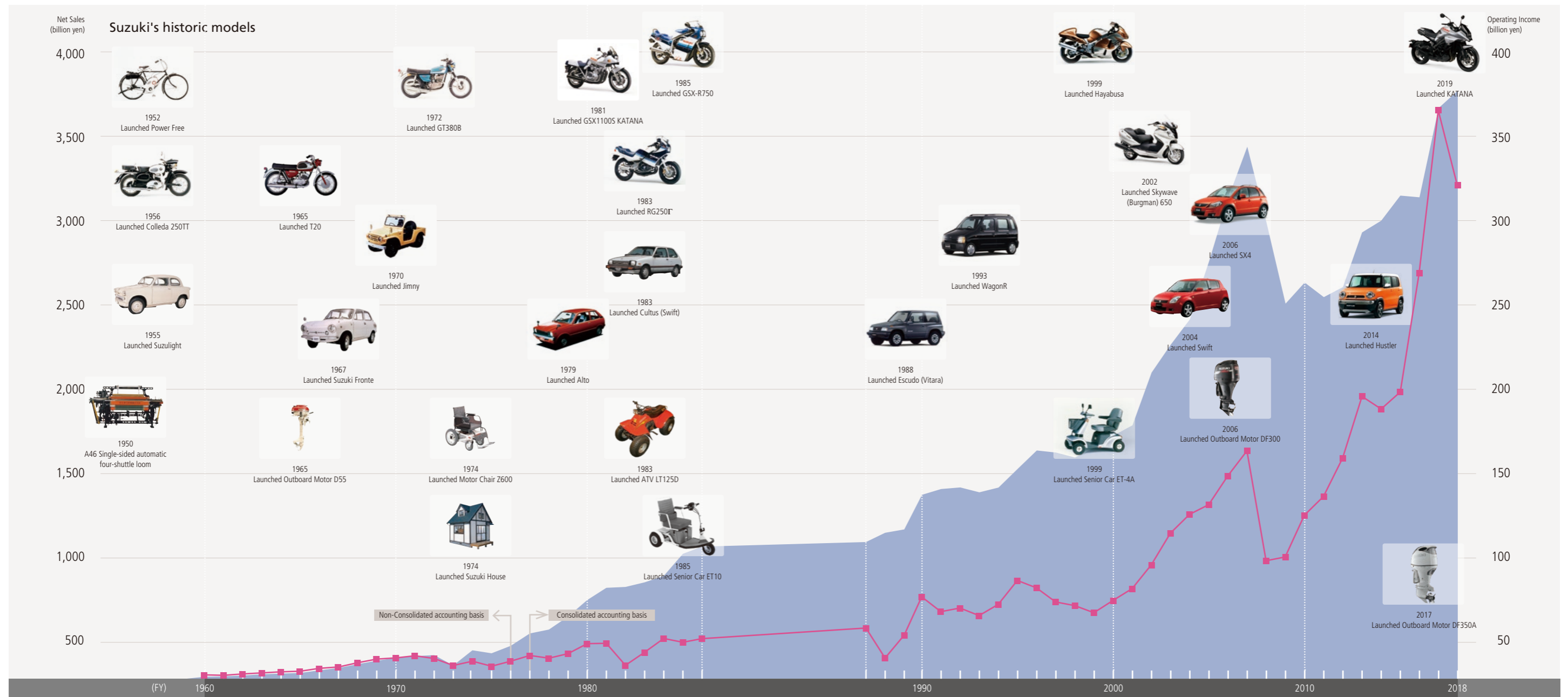
Caution with respect to Forward-Looking Statements | The forward-looking statements mentioned in this report are based on currently available information and assumptions, contain risks and uncertainty and do not constitute guarantees of future achievement. Please note that the future results may greatly vary by the changes of various factors. Those factors, which may influence the future results, include economic conditions and the trend of demand in major markets and the fluctuations of foreign exchange rates (mainly U.S. dollar/Yen rate, Euro/Yen rate, Indian Rupee/Yen rate).

SUZUKI HISTORY

Progressed with customers worldwide

Message from the President | Corporate Philosophy | **SUZUKI HISTORY** | At a Glance | Global Network | Product Lineup

Net Sales — Operating Income * Below graph is based on non-consolidated figures until 1976, and consolidated figures from 1977.



- | | | | | | | |
|--|---|---|--|--|--|---|
| <ul style="list-style-type: none"> ● 1909 Oct. Suzuki Looms Work founded ● 1920 Mar. Suzuki Loom Manufacturing Co. incorporated ● 1952 June Started Motorcycle business ● 1954 June Name changed to Suzuki Motor Co., Ltd ● 1955 Oct. Started Automobile business | <ul style="list-style-type: none"> ● 1962 Mar. Mission Statement established ● 1965 Apr. Started Marine business ● 1967 Mar. First overseas motorcycle production (Thailand) Aug. Iwata Plant (automobile) completed | <ul style="list-style-type: none"> ● 1970 Oct. Kosai Plant (automobile) completed ● 1974 Apr. Started motorised wheelchair business Aug. Started housing business ● 1975 May First overseas automobile production (Pakistan) | <ul style="list-style-type: none"> ● 1980 Mar. Established Machine Industry Fostering and Promoting Foundation (present Suzuki Foundation) ● 1981 Aug. Business tie-up with General Motors Company ● 1983 Dec. Start of automobile production at Maruti Udyog Ltd. (India, present Maruti Suzuki India Limited) | <ul style="list-style-type: none"> ● 1990 Oct. Name changed to Suzuki Motor Corporation ● 1992 Oct. Production of automobiles began at Magyar Suzuki Corporation Ltd. in Hungary ● 1996 Nov. Production of automobiles and motorcycles began at Vietnam Suzuki Corp. in Vietnam ● 1999 Oct. Production of outboard motors began at Thai Suzuki Motor Co., Ltd. in Thailand | <ul style="list-style-type: none"> ● 2000 Oct. Established Suzuki Education and Culture Foundation ● 2008 July Sagara Plant (automobile) completed Nov. Resolved equity tie-up with General Motors Company ● 2009 Dec. Reached agreement with Volkswagen AG for a comprehensive partnership | <ul style="list-style-type: none"> ● 2012 Mar. Production of automobiles began at Suzuki Motor (Thailand) Co., Ltd. in Thailand ● 2013 Feb. Established Suzuki (Myanmar) Motor Co., Ltd., a subsidiary for production of automobiles in Myanmar ● 2015 June Announced new mid-term management plan "SUZUKI NEXT 100" Sept. Acquired all shares in Suzuki held by Volkswagen AG ● 2017 Feb. Start of automobile production at Suzuki Motor Gujarat Private Limited (India) Feb. Concluded memorandum toward business partnership with Toyota Motor Corporation Dec. Established Suzuki Environmental Plan 2020 ● 2018 Sept. Hamamatsu Plant (motorcycle) completed ● 2019 Aug. Entered into Capital Alliance Agreement with Toyota Motor Corporation |
|--|---|---|--|--|--|---|

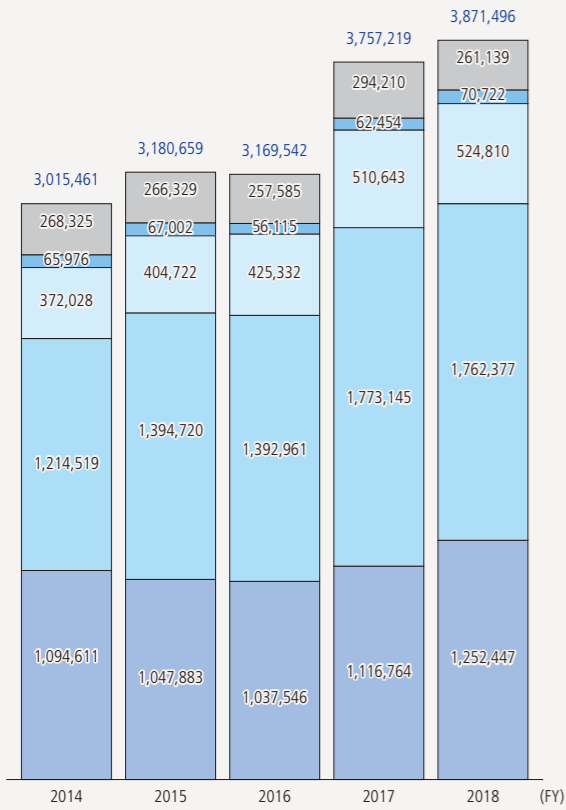
At a Glance

Message from the President | Corporate Philosophy | SUZUKI HISTORY | At a Glance | Global Network | Product Lineup

Financial Highlights

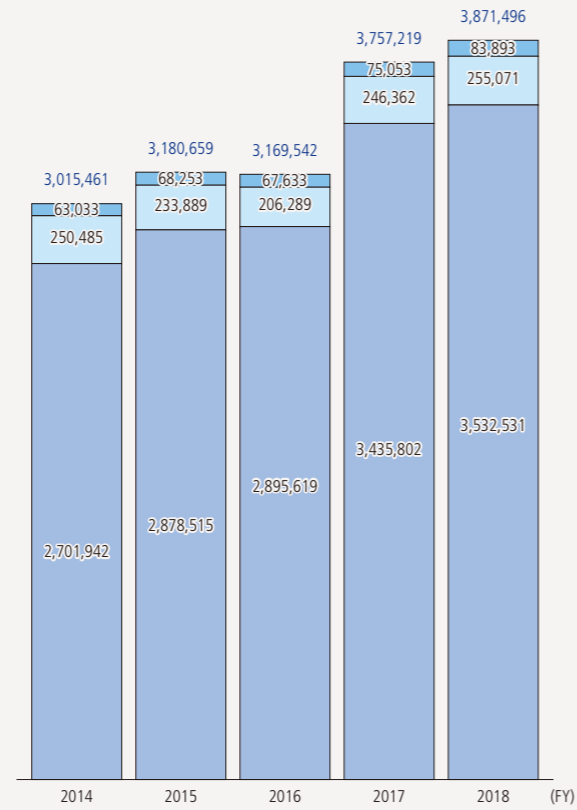
Net sales by geographic region (Millions of yen)

Japan Asia Europe
North America Others



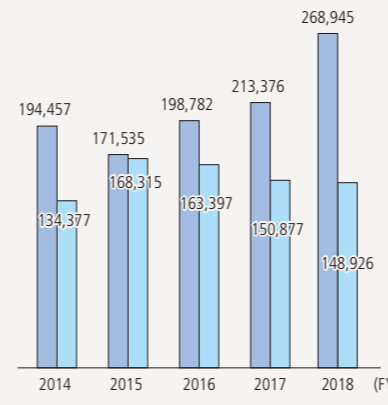
Net sales by segment (Millions of yen)

Automobile Motorcycle Marine, etc.



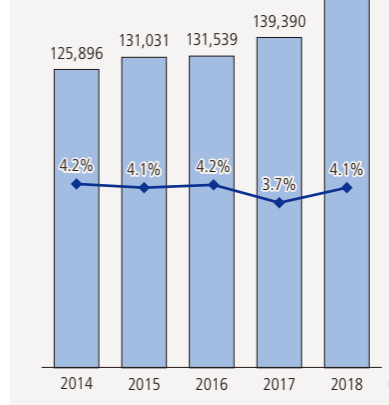
Capital expenditure/Depreciation (Millions of yen)

Capital expenditure
Depreciation



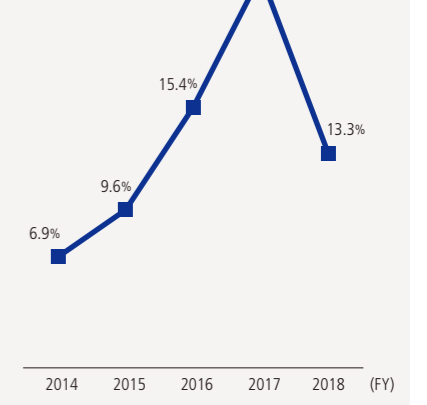
R&D expenses (Millions of yen)

R&D expenses
Ratio of R&D expenses to sales



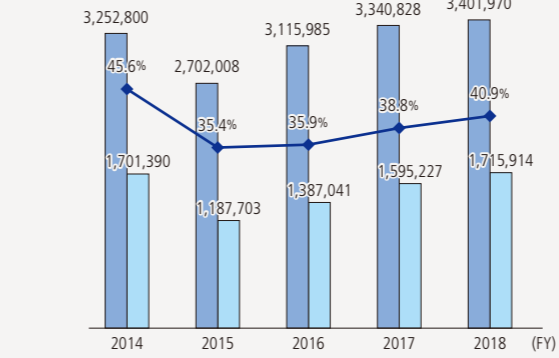
ROE

ROE



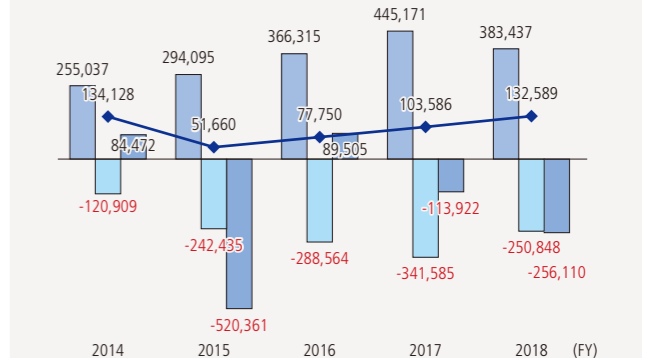
Total assets/Net assets/Shareholders' equity ratio (Millions of yen)

Total assets Net assets Shareholders' equity ratio



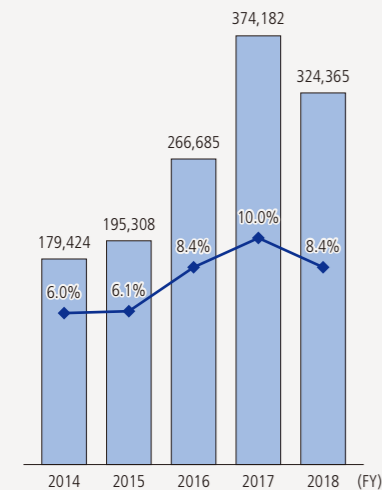
Cash flows (Millions of yen)

Cash flows from operating activities Cash flows from financing activities
Cash flows from investing activities Free cash flows



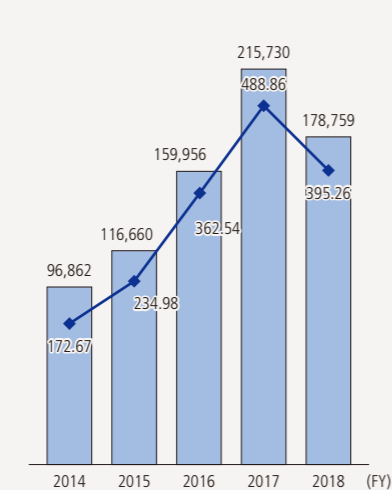
Operating income (Millions of yen)

Operating income
Margin



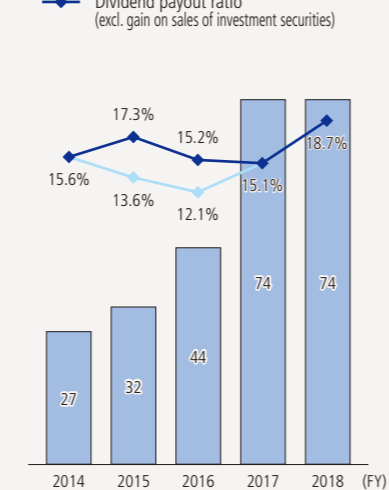
Net income attributable to owners of the parent

Net income (Millions of yen)
Net income per share (Yen)



Dividends (Yen)

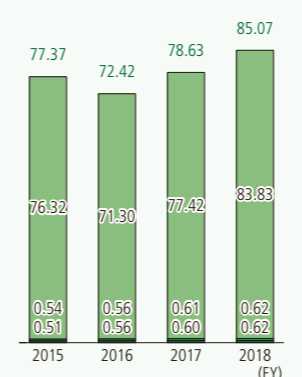
Cash dividends per share
Dividend payout ratio
Dividend payout ratio (excl. gain on sales of investment securities)



Non-financial Highlights

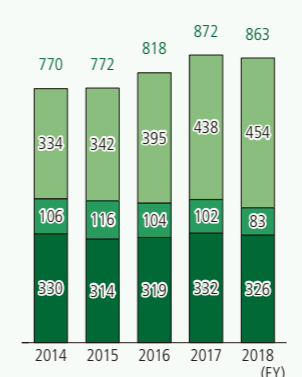
CO₂ emission amount from the whole value chain (million t-CO₂)

Whole value chain: Total of Scope 1, 2, and 3
Scope 3: Other indirect emissions
Scope 2: Indirect emissions from energies
Scope 1: Direct emissions from corporate activities



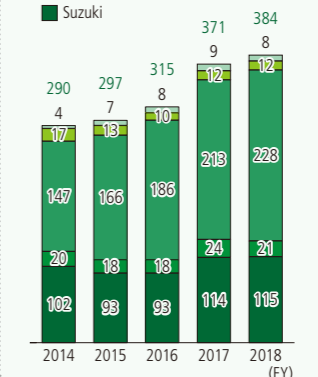
Amount of water used at plants in Japan and major overseas plants (m³)

Overseas plants
Group manufacturing companies in Japan
Suzuki



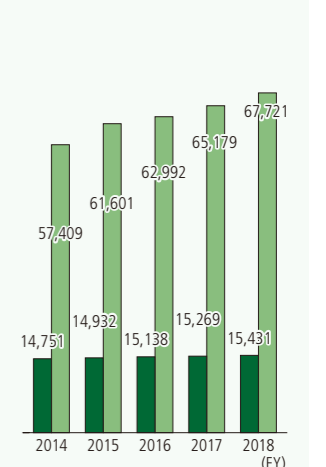
Total waste discharge amount at plants in Japan and major overseas plants (1,000t)

Thailand
Indonesia
India
Group manufacturing companies in Japan
Suzuki



No. of employees (Person)

Non-Consolidated
Consolidated



* Calculation range:
Suzuki Motor Corporation, 66 domestic manufacturing and non-manufacturing subsidiaries, and 32 overseas manufacturing and non-manufacturing subsidiaries.

* Area subject to totalisation:
8 plants of Suzuki Motor Corporation, 9 plants of 4 companies of Group manufacturing companies in Japan, and 23 plants of 16 companies of overseas manufacturing companies

Global Network

As of the end of March 2019

User-friendly and high-quality SUZUKI products are favoured by customers of each country and area worldwide.

A Automobile **M** Motorcycle **O** Outboard Motor

Global Network

Major Overseas Distributors

- Sales
- A M O** 1 SUZUKI MOTOR OF AMERICA, INC. (USA)
- A M O** 2 SUZUKI CANADA INC. (Canada)
- A M O** 3 SUZUKI MOTOR DE MEXICO, S.A. DE C.V. (Mexico)
- A M O** 4 SUZUKI AUSTRALIA PTY. LTD. (Australia)
- A M O** 5 SUZUKI NEW ZEALAND LTD. (New Zealand)
- A M O** 6 SUZUKI MOTOR (CHINA) INVESTMENT CO., LTD. (China)
- A M O** 7 SUZUKI FRANCE S.A.S. (France)
- A M O** 8 SUZUKI ITALIA S.P.A. (Italy)
- A M O** 9 SUZUKI DEUTSCHLAND GmbH (Germany)
- A M O** 10 SUZUKI GB PLC (UK)
- A M O** 11 SUZUKI AUSTRIA AUTOMOBIL HANDELS GmbH (Austria)
- A M O** 12 SUZUKI MOTOR IBERICA S.A.U. (Spain)
- A M O** 13 SUZUKI MOTOR POLAND SP. Z.O.O. (Poland)
- A M O** 14 SUZUKI AUTO SOUTH AFRICA (PTY.) LTD. (South Africa)

Major Overseas Manufacturing Companies

- Sales
- Production
- A M O** 15 SUZUKI MANUFACTURING OF AMERICA CORPORATION (USA)
- A M O** 16 SUZUKI MOTOR DE COLOMBIA S.A. (Colombia)
- A M O** 17 MAGYAR SUZUKI CORPORATION LTD. (Hungary)
- A M O** 18 SUZUKI EGYPT S.A.E. (Egypt)
- A M O** 19 JINAN QINGQI SUZUKI MOTORCYCLE CO., LTD. (China)
- A M O** 20 JIANGMEN DACHANGJIANG GROUP CO., LTD. (China)
- A M O** 21 CHANGZHOU HAOJUE SUZUKI MOTORCYCLE CO., LTD. (China)
- A M O** 22 TAI LING MOTOR CO., LTD. (Taiwan)
- A M O** 23 SUZUKI PHILIPPINES INC. (Philippines)
- A M O** 24 SUZUKI (MYANMAR) MOTOR CO., LTD. (Myanmar)
- A M O** 25 SUZUKI THILAWA MOTOR CO., LTD. (Myanmar)
- A M O** 26 SUZUKI MOTOR (THAILAND) CO., LTD. (Thailand)
- A M O** 27 THAI SUZUKI MOTOR CO., LTD. (Thailand)
- A M O** 28 CAMBODIA SUZUKI MOTOR CO., LTD. (Cambodia)
- A M O** 29 VIETNAM SUZUKI CORP. (Vietnam)
- A M O** 30 PT. SUZUKI INDOMOBIL MOTOR (Indonesia)
- A M O** 31 MARUTI SUZUKI INDIA LIMITED (India)
- A M O** 32 SUZUKI MOTORCYCLE INDIA PRIVATE LIMITED (India)
- A M O** 33 SUZUKI MOTOR GUJARAT PRIVATE LIMITED (India)
- A M O** 34 PAK SUZUKI MOTOR CO., LTD. (Pakistan)



17 MAGYAR SUZUKI CORPORATION LTD.



23 SUZUKI PHILIPPINES INC.



26 SUZUKI MOTOR (THAILAND) CO., LTD.



30 PT. SUZUKI INDOMOBIL MOTOR (Cikarang Plant)



31 MARUTI SUZUKI INDIA LIMITED (Gurgaon Plant)



31 MARUTI SUZUKI INDIA LIMITED (Manesar Plant)



33 SUZUKI MOTOR GUJARAT PRIVATE LIMITED (Gujarat Plant)



34 PAK SUZUKI MOTOR CO., LTD.

Domestic Plants

- Production
- A M O** 1 Kosai Plant
- A M O** 2 Iwata Plant
- A M O** 3 Sagara Plant
- Foundry 4 Osaka Plant
- A M O** 5 Hamamatsu Plant

● Number of directly managed domestic distributors
56 companies



1 Kosai Plant

Head Office

Number of bases

	Asia	Europe	North America	Latin America	Africa	Middle East	Oceania
Number of trading countries/Regions	22	45	2	48	53	18	22
Number of manufacturing companies	19	1	1	5	1	1	0

Product Lineup

Message from the President | Corporate Philosophy | SUZUKI HISTORY | At a Glance | Global Network | Product Lineup

J Japan I India A ASEAN E Europe N North America O Other * Global sales unit, sales market, and production site are based on FY2018 results.

Automobiles



Spacia
Global Sales Unit **158,000**
Sales Market J
Production Site J



XBEE
Global Sales Unit **29,000**
Sales Market J
Production Site J



Hustler
Global Sales Unit **65,000**
Sales Market J O
Production Site J



Dzire
Global Sales Unit **265,000**
Sales Market I A O
Production Site I



Ertiga
Global Sales Unit **113,000**
Sales Market I A O
Production Site I A



Vitara Brezza
Global Sales Unit **159,000**
Sales Market I O
Production Site I



Solio
Global Sales Unit **46,000**
Sales Market J O
Production Site J



Carry
Global Sales Unit **174,000**
Sales Market J I A O
Production Site J I A O
* Global sales unit includes overseas Carry, etc., besides the Japanese mini Carry (Photo: Japanese mini Carry)



WagonR
Global Sales Unit **295,000**
Sales Market J I A O
Production Site J I A O
* Global sales unit includes overseas WagonR, besides the Japanese mini WagonR (Photo: Japanese mini WagonR)



Ciaz
Global Sales Unit **83,000**
Sales Market I A O
Production Site I A O



Celerio
Global Sales Unit **162,000**
Sales Market I A E O
Production Site I A O



Alto
Global Sales Unit **371,000**
Sales Market J I A O
Production Site J I O
* Global sales unit includes overseas Alto, etc., besides the Japanese mini Alto (Photo: Japanese mini Alto)



Jimny
Global Sales Unit **60,000**
Sales Market J I A E O
Production Site J I O



Swift
Global Sales Unit **397,000**
Sales Market J I A E O
Production Site J I A O



KATANA
(Launched in FY2019)
Sales Market J A E N O
Production Site J



Access 125
Global Sales Unit **512,000**
Sales Market I A O
Production Site I



V-Strom 250
Global Sales Unit **15,000**
Sales Market J A E O
Production Site O



Vitara
Global Sales Unit **130,000**
Sales Market J A E O
Production Site E O
* Photo: Escudo (Japanese Vitara)



SX4 S-CROSS
Global Sales Unit **96,000**
Sales Market J I A E O
Production Site I E O



Baleno
Global Sales Unit **255,000**
Sales Market J I A E O
Production Site I



Ignis
Global Sales Unit **113,000**
Sales Market J I A E O
Production Site J I

Outboard Motors



DF350A
Sales Market J A E N O
Production Site J

Motorised Wheelchairs



ET4D
Sales Market J
Production Site J

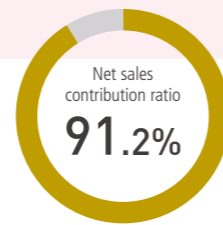
Business Report (Automobile Business)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

Business Overview (Automobile Business)

Business Policy

The Group has positioned Japan at the centre of global automobile development, the base of production. Our strategy for products in this sector is to concentrate on the mini-vehicle, A, and B segments to match the growing compact car market worldwide.



Main Products Mini-vehicles, Sub-compact vehicles, Standard-sized vehicles



Spacia Gear
Launched December 2018 in Japan

We launched the all-new Spacia Gear, developed by incorporating tough and active SUV design into the Spacia, a tall minivan-type passenger minicar. It's offered as a new-style SUV design car to customers who wish to use tall minivans more actively.



Jimny
Launched July 2018 in Japan, October 2018 in overseas
Photo: Jimny minicar for the Japanese market

We launched the all-new Jimny minicar and compact car by completely redesigning it for the first time in 20 years. Authentic 4WD off-road functions and performance have been enhanced while inheriting their half a century of core concept and technologies.



Ertiga
Launched April 2018 in Indonesia, November 2018 in India

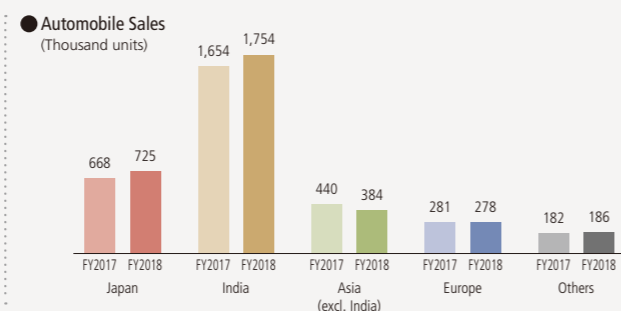
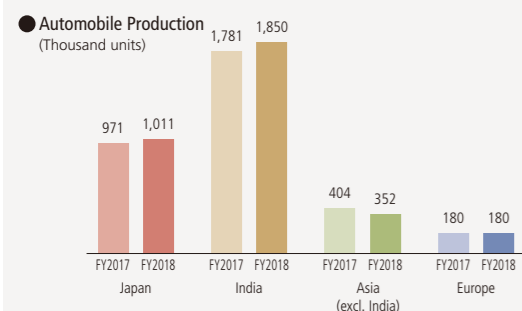
We completely redesigned the Ertiga 3-row, 7-seater MPV. It features luxurious exterior styling that creates a sense of strength and elegance, as well as interior that offers class-above elegance, and realises spacious cabin and luggage space. Following Indonesia, production of the all-new Ertiga started in India, and they are exported from both countries.



WagonR
Launched January 2019 in India

We completely redesigned the third-generation model of the Indian WagonR compact car. Suzuki developed the A-segment body dedicated for the Indian WagonR for the first time. It has been made wider into a bold stance to realise roomier cabin space, which is the main feature of the WagonR.

Production Units/Sales Units * Sales units are based on Suzuki research on outside data.

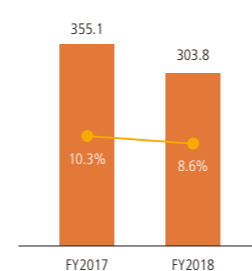


Total overseas automobile production for FY2018 increased by 0.7% to 2,383,000 units year-on-year. Worldwide production, including Japan, also increased by 1.7% to 3,394,000 units year-on-year. Sales of automobiles in overseas market increased by 1.8% to 2,602,000 units year-on-year, while total global sales, including Japan, also increased by 3.2% to 3,327,000 units year-on-year.

Operating Results for FY2018

The overseas automobile net sales decreased year-on-year mainly owing to the impact of depreciation of currencies of emerging countries. However, the net sales of the automobile business increased by ¥96.7 billion (2.8%) to ¥3,532.5 billion year-on-year by covering the decrease in the overseas automobile net sales with the increase in the Japanese domestic automobile net sales, which increased year-on-year mainly owing to the sales contribution of Spacia and XBEE. The operating income decreased by ¥51.3 billion (14.4%) to ¥303.8 billion year-on-year mainly owing to the impact of increase in various expenses, in addition to depreciation of currencies of emerging countries.

Operating results of automobile business (Billion yen)



Market Overview by Region * Sales units are based on Suzuki research on outside data.

[Japan]

Overall Market

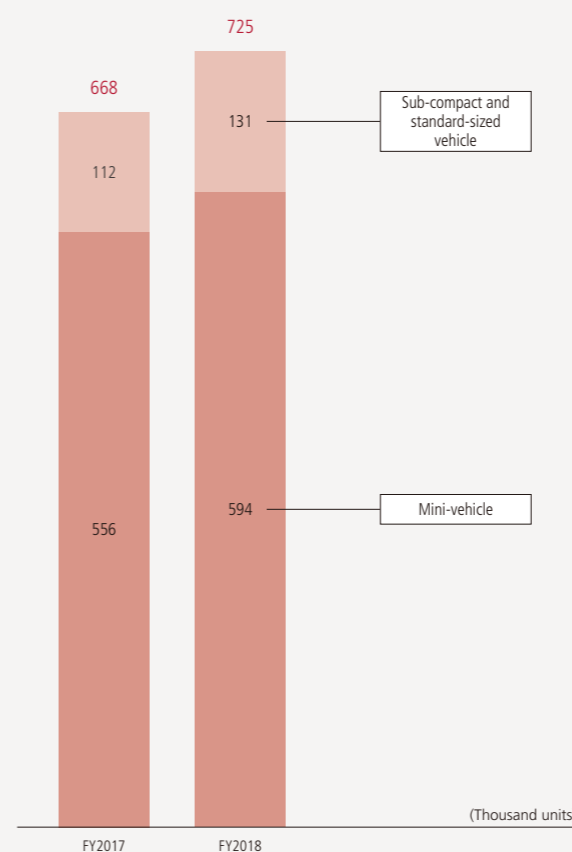
Total domestic automobile sales volume in FY2018 increased for the third consecutive fiscal year by 1% to 5,260,000 units year-on-year. Sales of mini-vehicles led the whole market with increase of 3% to 1,923,000 units year-on-year, despite slight decrease in sub-compact and standard-sized vehicles to 3,336,000 units from 3,338,000 units in the previous fiscal year.

Suzuki Sales

Suzuki's domestic automobile sales in FY2018 increased for the third consecutive fiscal year by 8% to 725,000 units year-on-year. Suzuki's sales of mini-vehicles increased for the second consecutive fiscal year by 7% to 594,000 units year-on-year, mainly owing to the full-model change of the all-new Jimny in July and introduction of the new Spacia Gear in December. Suzuki's sales of sub-compact and standard-sized vehicles increased for the fourth consecutive fiscal year by 17% to a record-high in a single year of 131,000 units year-on-year. The key driver of that growth was the all-new Jimny Sierra (Jimny compact car) launched in July.

Suzuki Sales Units

[Full Year Comparison: from April to March]
+57 Thousand units (+8.5%)



[India]

Overall Market

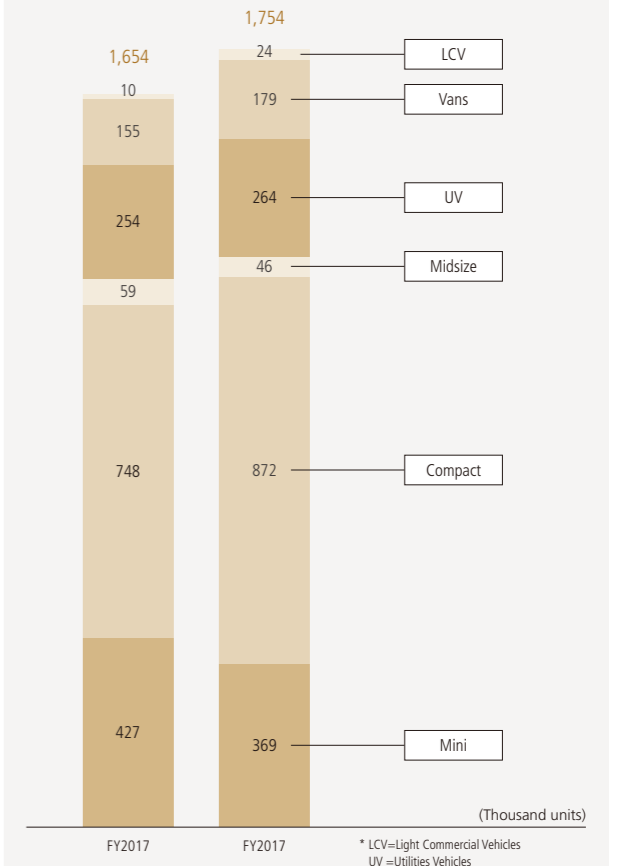
New car sales (total market of passenger and commercial vehicles) in India increased in FY2018 by 240,000 units (6%) from the previous fiscal year of 4,145,000 units to a record-high of 4,385,000 units. In terms of sales volume by country, following FY2017, India continues to be the fourth-largest market in the world.

Suzuki Sales

Suzuki's total sales in FY2018 increased for the eighth consecutive fiscal year by 6% to a record-high of 1,754,000 units year-on-year, owing to the launch of the all-new Ertiga, in addition to strong sales of Dzire, Swift, Baleno, and Vitara Brezza. As of March 2019, Suzuki's cumulative sales since starting business in India in 1983 is 19,646,000 units. The Company expects it to reach 20,000,000 units in the next fiscal year.

Suzuki Sales Units

[Full Year Comparison: from April to March]
+100 Thousand units (+6.1%)



* LCV=Light Commercial Vehicles
UV=Utilities Vehicles

Business Report (Automobile Business)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

Market Overview by Region * Sales units are based on Suzuki research on outside data.

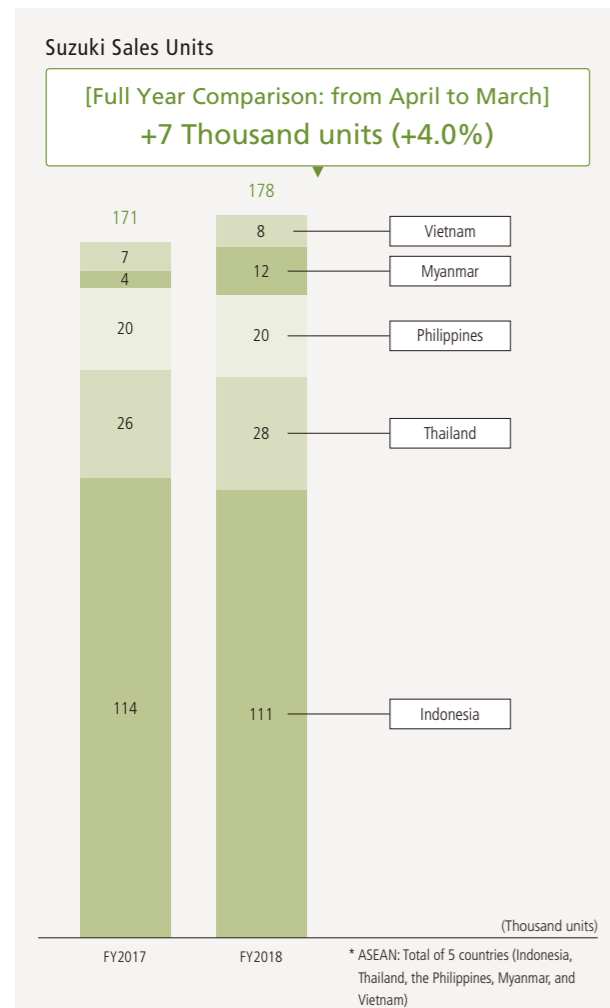
[ASEAN]

Overall Market

New car sales in ASEAN in FY2018 increased by 5% to 3,604,000 units year-on-year. While Indonesia was nearly flat on the year (1,121,000 units, up 1%), and Thailand, Vietnam, and Myanmar especially recorded remarkable increase, the Philippines decreased by 14% year-on-year owing to the impact of hike in excise tax.

Suzuki Sales

Suzuki's sales in ASEAN increased by 4% to 178,000 units year-on-year. While the overall market in Myanmar doubled to 19,184 units (up 99% year-on-year) owing to expanded demand of local production models, Suzuki largely increased by 172% to 11,691 units year-on-year. In the Philippines, while the overall market decreased, Suzuki maintained nearly flat on the year at 19,636 units (down 2%). Other countries including Thailand (27,950 units) and Vietnam (7,562 units) also increased.



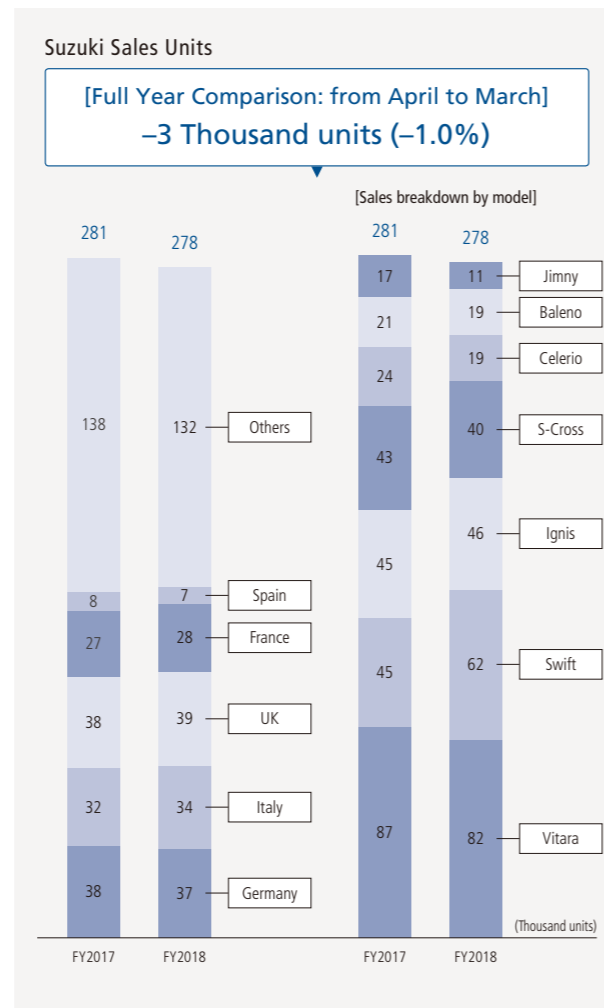
[Europe]

Overall Market

New car sales in Europe in FY2018 slightly decreased by 2% to 18,018,000 units year-on-year. The market was impacted as a result of the introduction of new international emission gas/fuel consumption testing standards called WLTP in the EU, and a disruption accounted with the Brexit in the UK. Under such circumstances, countries such as Hungary (up 13% year-on-year), Greece (up 10%), Poland (up 17%), and Russia (up 9%) saw increase.

Suzuki Sales

Suzuki's sales in Europe was nearly flat on the year at 278,000 units (down 1% year-on-year). Italy increased for the sixth consecutive fiscal year at 34,000 units (up 7% year-on-year) owing to strong sales of hybrid variants of Swift and Ignis. France also increased for the fifth consecutive fiscal year at 28,000 units (up 3% year-on-year). Hungary increased for the eighth consecutive fiscal year at 20,000 units (up 15% year-on-year) owing to strong sales of Vitara and S-Cross, which are produced locally in Hungary. Suzuki also maintained the top market share in Hungary. Poland increased for the fifth consecutive fiscal year and exceeded 10,000 units for the first time.



[Others (Pakistan, Middle East, Africa, Latin America, and Oceania)]

Pakistan

Overall market in Pakistan increased by 2% to a record-high of 251,000 units year-on-year. Suzuki's sales was 138,000 units with a market share of 54.2%. While sales of 800cc models decreased owing to the impact of sales restriction to those who have not filed their tax return, which was introduced in July 2018, Suzuki's sales was flat on the year owing to strong sales of WagonR and Celerio (Cultus in Pakistan).

Middle East

Overall market in the Middle East decreased by 8% to 2,046,000 units year-on-year owing to the impact of the US sanctions to Iran and economic downturn in GCC (Gulf Cooperation Council) countries. Suzuki's sales also decreased by 25% to 12,200 year-on-year.

Africa

Overall market in Africa expanded by 3% to 1,225,000 units year-on-year. While sales in North African countries (Egypt, Morocco, and Algeria) especially made large

increase, South Africa, the largest market in Africa, decreased by 1% year-on-year owing to economic downturn. Suzuki's sales expanded by 22% to 26,128 units year-on-year. Especially in South Africa, the sales grew by 21% owing to promotion of brand awareness and the introduction of the all-new Swift in the country.

Latin America

Overall market in Latin America was flat on the year at 6,036,000 units. Sales increased year-on-year in countries including Chile, Colombia, and Brazil, the largest market in Latin America. Suzuki's sales increased by 5% to 123,000 units year-on-year, of which Chile (up 10%) and Mexico (up 34%) became record-high.

Oceania

Overall market in Oceania decreased by 5% to 1,316,000 units, and Suzuki's sales decreased by 7% to 24,688 units year-on-year. Suzuki was selected as No.1 brand in customer satisfaction for new cars by a research company Canstar Blue in both Australia and New Zealand.

FY2018 Topics

[Japan]

- Launched full-model change of the all-new Jimny minicar and Jimny Sierra compact car in July 2018.
- Launched the all-new Spacia Gear minicar in December 2018.



[India]

- Launched full-model change of the all-new 3-row MPV Ertiga in November 2018.
- Swift won the Indian Car of the Year (ICOTY) 2019 in December 2018. Swift is the only car to receive the award for the third consecutive generation.
- Launched full-model change of the all-new WagonR compact passenger car in January 2019.
- Plant B in Gujarat Plant of Suzuki Motor Gujarat Private Limited (SMG) was completed and started production of Swift in January 2019. The total annual production ability of SMG became 500,000 units. Combined with Maruti Suzuki India Limited's production ability of 1,500,000 units, Suzuki's production ability of automobiles in India became 2,000,000 units.



[ASEAN]

- Production of the all-new Ertiga started in April 2018 in Indonesia. It is favoured in Indonesia, as well as in its destinations of exports including Thailand and the Philippines.
- After launching the all-new Swift in February 2018 in Thailand, its sales largely increased in FY2018 with 14,167 units (up 77% year-on-year). The all-new Swift is the fourth model made by Suzuki in Thailand, and it conforms to the second phase of the eco-car project in Thailand.
- Production of Swift started in September 2018 in Myanmar at the Thilawa Plant which started its operation in January 2018.



[Europe]

- All-new Jimny made its European premiere at the Paris Motor Show in October 2018, and subsequently started its sales in Europe.
- Minor-changed model of Vitara produced in Hungary was introduced in September 2018, and cumulative production of Vitara reached 500,000 units in March 2019, since its start of production in the spring of 2015.
- All-new Jimny won 2019 World Urban Car award of the World Car Awards in April 2019 for the first time. Jimny was also selected as TOP3 of 2019 World Car Design of the Year.



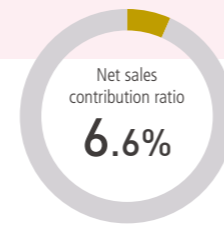
Business Report (Motorcycle Business)

Automobile Business | **Motorcycle Business** | Marine Business, etc. | Special Topic

Business Overview (Motorcycle Business)

Business Policy

In April this year, we closed the motorcycle division and established the Motorcycle Company directly supervised by the president to convert that business into a financially independent profit-making one which can find solutions to restore business activity to normal. The Group will aim to maintain its profitable structure through continuously remaining vigilant with such management reforms.



Main Products Motorcycles, ATV



KATANA
Unveiled October 2018

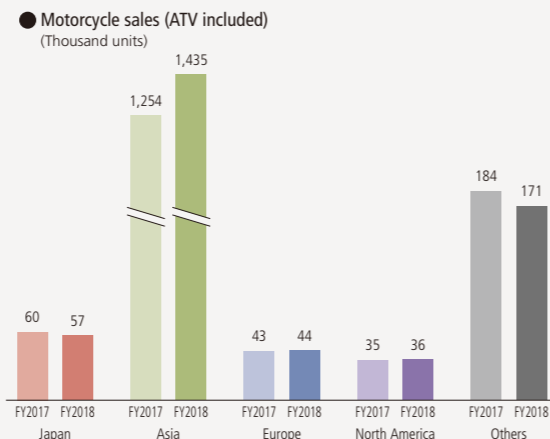
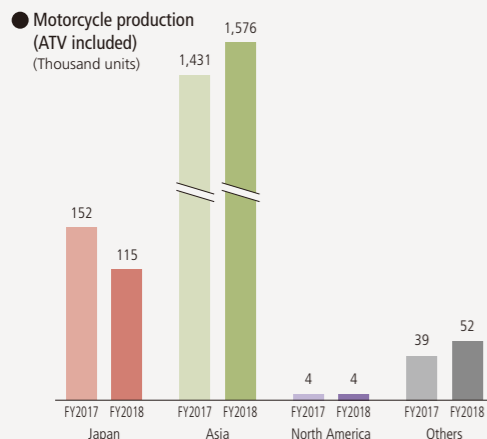


SWISH
Launched May 2018 in Taiwan, June 2018 in Japan

The all-new KATANA is a completely new model which derives from the original GSX1100S KATANA that won the hearts of riders around the world with its avant-garde KATANA (Japanese sword) design, when it was showcased at the Cologne Motor Show in 1980. It is arranged into a modern look and adopts sleek, sporty profile, and realises compact design.

SWISH is an elegant standard scooter that can even convince scooterists who have already experienced with many scooters. Its stylish design is accompanied with compact body and 10-inch wheels for good manoeuvrability, and filled with convenient functions and equipment.

Production Units/Sales Units * Sales units are based on Suzuki research on outside data.

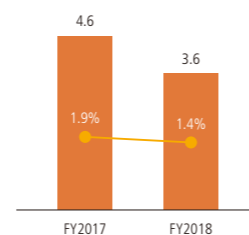


Total overseas motorcycle production (including ATVs) for FY2018 increased by 10.7% to 1,632,000 units year-on-year. Worldwide production, including Japan, also increased by 7.4% to 1,747,000 units year-on-year. Sales of motorcycles (including ATVs) in overseas market increased by 11.2% to 1,686,000 units year-on-year, while total global sales, including Japan, also increased by 10.6% to 1,743,000 units year-on-year.

Operating Results for FY2018

The net sales increased by ¥8.7 billion (3.5%) to ¥255.1 billion year-on-year mainly owing to the sales increase in India, Indonesia and the Philippines. The operating income decreased by ¥1.0 billion (21.2%) to ¥3.6 billion year-on-year mainly owing to decrease in sales of large displacement models in Europe.

Operating results of motorcycle business (Billion yen)



Market Overview by Region * Sales units are based on Suzuki research on outside data.

[Japan]

Overall Market

Sales of motorcycles in Japan decreased in FY2018 by 1% to 370,000 units year-on-year. Sales of models with engine displacements of 126cm³ and higher*¹ were flat on the year at 122,000 units. Sales of models with engine displacements up to 125cm³ *² decreased by 1% to 248,000 units year-on-year. While there are structural concerns of poor demand in the domestic market such as aging of users and decrease in younger population, it is assumed that there was recoil reduction from FY2017, when the market saw introduction of new models to new categories from various brands.

Suzuki Sales

Suzuki's sales decreased in FY2018 by 5% to 57,000 units year-on-year. Sales of models with engine displacements of 126cm³ and higher*¹ decreased by 3% to 13,000 units year-on-year. Sales of models with engine displacements up to 125cm³ *³ decreased by 6% to 44,000 units year-on-year. Suzuki's sales decreased owing to temporary suspension of production due to transfer of production plants.

*1 Registered units including imported units
*2 Factory shipments of the four Japanese manufacturers
*3 Factory shipments

[Asia]

Overall Market (India)

Sales of motorcycles in India increased in FY2018 by 5% to 21,177,000 units year-on-year. Sales have slowed down since the insurance price was raised in September 2018 (by approx. 5% in retail price), and the market continues to dip below the previous year results from December.

Suzuki Sales (India)

Suzuki's sales increased by 29% to 636,000 units owing to strong sales of mass-market scooter Access 125 throughout the year. Suzuki's market share in scooter became 9.2%. The Company plans to expand sales in the scooter market which is expected to increase as the demand for commuters continues, while also promote refurbishment of dealer CI and education of sales persons, so as to enhance sales network and brand image.

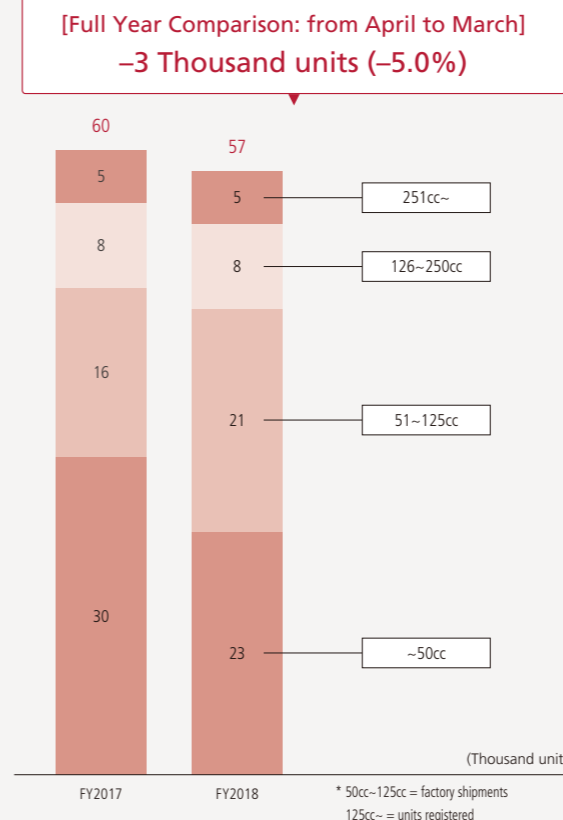
Overall Market (ASEAN)

Sales of motorcycles in the six key ASEAN countries (Indonesia, Thailand, Vietnam, the Philippines, Malaysia, and Cambodia) increased by 8% to 14,182,000 units year-on-year. Except Thailand, sales increased in five countries: Indonesia (up 11%), Vietnam (up 1%), the Philippines (up 19%), Malaysia (up 13%), and Cambodia (up 9%).

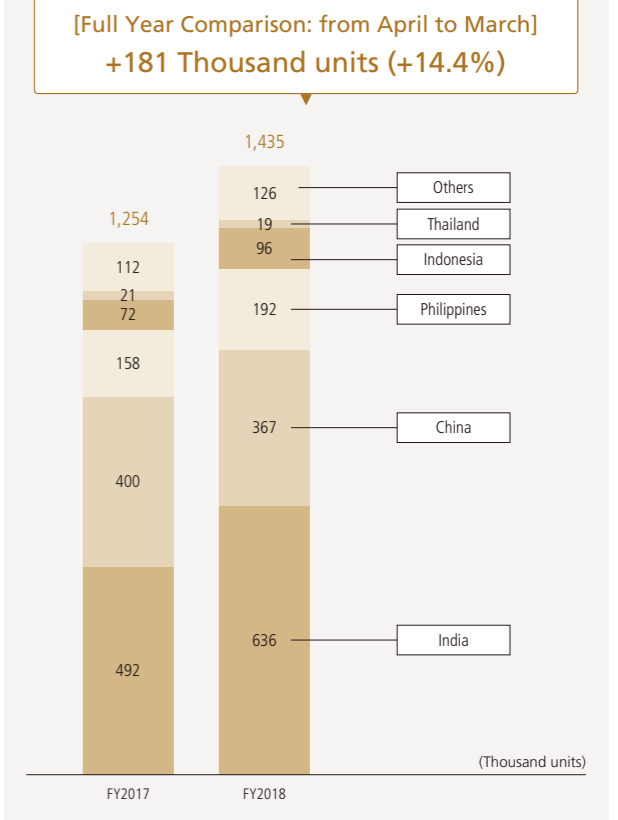
Suzuki Sales (ASEAN)

Suzuki's sales increased by 22% to 357,000 units year-on-year. Sales largely increased, especially in Indonesia (up 35%), Vietnam (up 11%), the Philippines (up 21%), and Cambodia (up 30%).

Suzuki Sales Units



Suzuki Sales Units



Business Report (Motorcycle Business/Marine Business, etc.)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic

Market Overview by Region * Sales units are based on Suzuki research on outside data.

[Europe/North America]

Overall Market

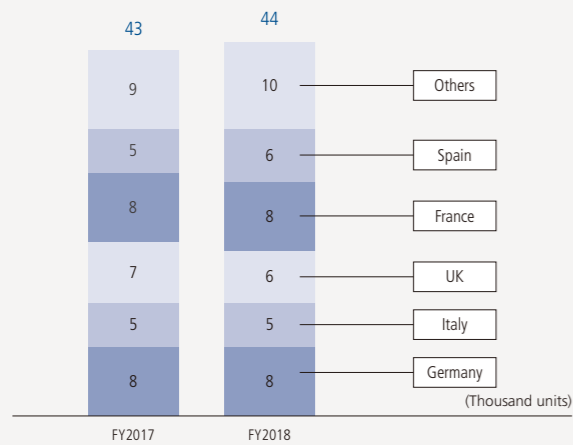
Sales of motorcycles in Europe increased in FY2018 by 12% to 1,083,000 units year-on-year. Sales in North America decreased by 2% to 511,000 units year-on-year.

Suzuki Sales

Suzuki's sales in Europe increased by 2% to 44,000 units year-on-year owing to sales of GSX-R125, GSX-S125, and Address introduced in the second half of FY2017 went well underway in FY2018, as well as full-model change of Burgman 400 and sales expansion of SV650 which has stable demand. Suzuki's market share became 4.1%. In North America, sales increased by 3% to 36,000 units owing to strong sales of large on-road models. Suzuki's market share became 7.0%.

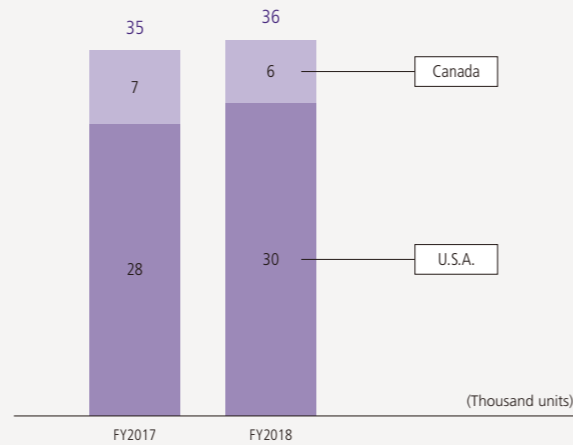
[Europe] Suzuki Sales Units

[Full Year Comparison: from April to March]
+1 Thousand units (-1.0%)



[North America] Suzuki Sales Units

[Full Year Comparison: from April to March]
+1 Thousand units (+3.2%)



FY2018 Topics

[Japan]

- Elegant standard scooter SWISH (125cm³) was launched in June 2018. SWISH Limited with various equipment was launched subsequently in September.
- The 1st Japan Bike of the Year 2018 was held for the first time in December 2018, and V-Strom 250 was prized in the Mini-Sized Motorcycle Class (126 to 250cm³).



SWISH



V-Strom 250

[India]

- New elegant scooter BURGMAN STREET was launched in July 2018.



BURGMAN STREET

[ASEAN]

- In Indonesia, new scooter NEX II was launched in May 2018 and new backbone GSX150 Bandit was launched in October.
- Nex II was also launched in the Philippines in August 2018.



GSX150 Bandit

Nex II

[Europe]

- Intermot International Motorcycle, Scooter and Bicycle Fair was held in Cologne, Germany in October 2018, and Suzuki unveiled the all-new KATANA, A2 specification (35kW) of naked model GSX-S750, and motocross RM-Z250.

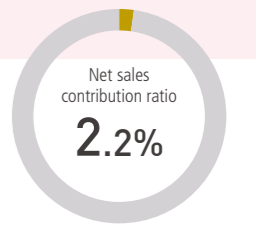


Intermot

Business Overview (Marine Business, etc.)

Business Policy (Marine Business)

The Group will reinforce and expand its large four-stroke outboard lineup and cultivate the business and leisure markets to build the world's top outboard brand under the brand slogan "THE ULTIMATE OUTBOARD MOTOR".



Main Products **Outboard Motors, Motorised Wheelchairs, Houses, etc.**



DF175/150A (Unveiled September 2018)

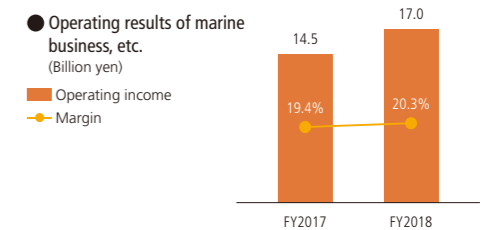
DF175A and DF150A have enhanced driving performance and fuel efficiency by adopting advanced technologies such as high compression ratio, lean burn, and semi-direct air intake.

DF175A

DF150A

Operating Results for FY2018

The net sales increased by ¥8.9 billion (11.8%) to ¥83.9 billion year-on-year mainly owing to sales increase of new outboard motor DF350A in North America. The operating income increased by ¥2.5 billion (16.9%) to ¥17.0 billion year-on-year.



FY2018 Topics

- DF325A, a large regular petrol model which adopts state-of-the-art technologies including the contra-rotating propellers common to the DF350A flagship outboard motor, was launched worldwide including Latin America, Europe, and Japan from the spring of 2018.



DF325A

- All-new large outboard motors DF175A and DF150A were unveiled at the Genoa Boat Show in September 2018, and launched worldwide including North America, Europe and Japan.

Special Topic: Approach to social issues through global business (India)

Automobile Business | Motorcycle Business | Marine Business, etc. | Special Topic



India is an important market for the Suzuki Group, with the country making significant economic growth. In line with the growth, Suzuki is making efforts in promoting research and development, and enforcing production structure. Through these efforts, not only do we become profitable, but various initiatives that are aimed for sustainable growth are being carried out as well, including nurturing of human resources and permeation of traffic safety culture, for the prosperity of India.

Meets both domestic and exports needs

Maruti Udyog Ltd., a national company which is the present day Maruti Suzuki India Limited (Maruti Suzuki), was established in 1981. In 1982, Suzuki made a joint venture contract with the Government of India, and production of the first car Maruti 800 started in December 1983.



Maruti 800

Maruti Suzuki has two plants of Gurgaon and Manesar Plants. Since starting business in India, Suzuki has grown with our supplier companies, and today, the local procurement rate of parts has reached 95%. Products manufactured in India are not only sold within the Indian domestic market, but they are also exported to various destinations including its surrounding countries, the Middle East, Africa, ASEAN, Europe, and Japan. In February 2017, Suzuki Motor Gujarat Private Limited (SMG), a 100% Suzuki investment automobile production subsidiary, started operation of its plant. SMG was established to secure production ability to meet future automobile market growth in India and expansion of exports from India. In April 2018, exports of their manufactured products started with Maruti Suzuki as the exporter, and in January 2019, operation of Plant B started. Vehicles and parts manufactured at SMG plants are supplied to Maruti Suzuki and distributed through their sales channels. While Suzuki invests 100% to SMG to cover the investments for production, Maruti Suzuki focusses on investments for product development and sales reinforcement. This enables efficient contribution of investments between Suzuki and Maruti Suzuki. India has a lineup of models that are mainly compact cars, and by offering various types of models, Maruti Suzuki is making efforts to meet versatile customer needs including first-time, additional, replacement, and step-up users.

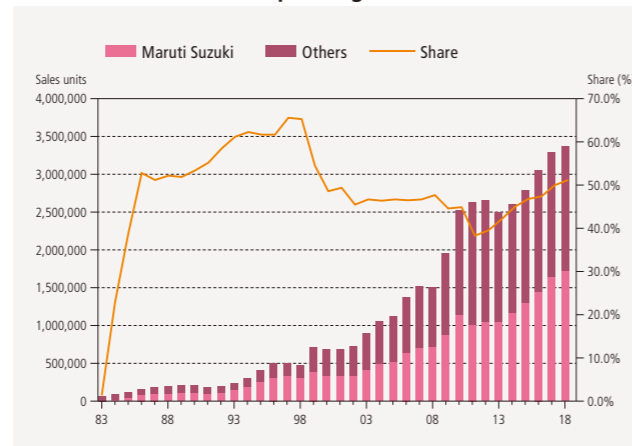
Product lineup

	Mini-based models	A segment	B segment	C segment
Commercial vehicle				
Passenger vehicle				

Market share of over 50%

Up until the 1990's, the market share of passenger vehicles was over 50%. Although the share fell below 50% later due to participation of competitors, by FY2017, share rose up to 50% owing to introduction of new models and restructuring of sales channels. In FY2018, Maruti Suzuki sold approximately 1.73 million units with the market share of 51.2%. Also, in 2016, Maruti Suzuki entered into the commercial vehicle market. The total vehicles sales of Maruti Suzuki including commercial vehicles in FY2018 was approximately 1.75 million units. The company expects to reach accumulated sales of 20,000,000 units in the next fiscal year.

Sales volume trend of passenger vehicles



Initiatives toward structure for 5 million units

It is said that if India would keep growing, the country's automobile market will reach 10 million units by 2030, and in order for Suzuki to maintain the current market share of 50%, we need to sell 5 million units annually. To realise this, we are making efforts in expanding sales and service channels, expanding production ability, and reinforcing research and development.

(1) Expansion of sales and service channels

Currently, there are approximately 2,600 sales outlets and 3,600 service bases with 43,000 sales staff. We plan to widely expand these. There are three new car sales channels, namely ARENA, NEXA and Commercial, and in addition, efforts are being made in reinforcing pre-owned car business (True Value) and rural sales.

(2) Expansion of production ability

There are currently a total of 2 million units of annual production ability in India with 1.5 million units for Gurgaon and Manesar Plants in total, and 0.5 million units for SMG. Plant C of SMG is currently being constructed with production ability of 0.25 million units, and when this starts operation, the annual production ability will become 2.25 million units.

(3) Reinforcement of research and development

There is a facility called the Rohtak R&D Centre located in Rohtak which is approximately 80km west of Delhi. The centre has a test course of various testing facilities within an area of 2,834,000 m² and approximately 360 persons work here. The company plans to introduce state-of-the-art facilities in view of the future to meet the changing times, such as for development of safe and environmental models.

Social issues solved and values created

	Current performances and characteristics of the Indian business	Strength
Production	<ul style="list-style-type: none"> - Current annual production ability of 2 million units (Maruti Suzuki 1.5 million, SMG 0.5 million) - Suzuki contributes in investments for production while Maruti Suzuki also makes efforts in investments for sales - Role as production hub of export vehicles 	<ul style="list-style-type: none"> - Meets domestic demands with high anticipation of further expansion - Cost reduction - Bridgehead to new markets incl. Africa
Sales	<ul style="list-style-type: none"> - Approx. 2,600 sales outlets and 3,600 service bases - NEXA, ARENA, Commercial, and pre-owned channels 	<ul style="list-style-type: none"> - Reach out to customers in rural areas - Achieving and retaining customers
Development	<ul style="list-style-type: none"> - Fulfilling model lineup - Development of safe and environmental models - Reinforcement of Rohtak R&D Centre 	<ul style="list-style-type: none"> - Swiftly feedback local needs to development - Early adoption to safety and environmental laws and regulations - Efficient development within the Suzuki Group
Procurement	<ul style="list-style-type: none"> - Grown along with our suppliers since starting business in India - Local procurement rate of over 95% 	<ul style="list-style-type: none"> - Management of quality and stable procurement - Cost reduction - Responsive to foreign exchange fluctuation

[Examples] Nurturing of human resources

- Supports to ITIs (Industrial Training Institutes)
- Opening Japan-India Institute for Manufacturing



Values created by the Indian business

- Enhancement of customer satisfaction
- Employment creation (plants, dealers, and suppliers)
- Nurturing of human resources
- Response to environmental issues
- Promotion of traffic safety
- Revenue growth of Maruti Suzuki



[Examples] Promotion of traffic safety

- Management of IDTR (Institutes of Driving Training and Research)
- Introduction of TSMS (Traffic Safety Management System)
- Automated Driving Test Centre



Directors, Auditors and Officers

Directors, Auditors, and Officers Corporate Governance

(as of 1 November 2019)

Representative Directors



Representative Director and Chairman
(Chairman of the Board of Directors)

Osamu Suzuki



Representative Director and Vice Chairman
Vice Chairman in charge of Special Missions

Yasuhito Harayama



Representative Director and President
Executive General Manager, Motorcycle Company

Toshihiro Suzuki

Audit & Supervisory Board Members



Audit & Supervisory Board Member

Toyokazu Sugimoto



Audit & Supervisory Board Member

Masato Kasai

Directors



Director and Senior Technical Executive
Senior Technical Executive in charge of Special Missions,
and Chief Officer, Inspection Reform Committee

Osamu Honda



Director and Managing Officer
Executive General Manager, Corporate Planning Office,
and Committee, Inspection Reform Committee

Masahiko Nagao



Director (Outside Director)

Masakazu Iguchi

● Resume

Feb. 1973 Professor of Faculty of Engineering, the University of Tokyo
Apr. 1995 Professor emeritus of Faculty of Engineering, the University of Tokyo
June 1995 Executive Vice President & Head of Japan Automobile Research Institute
June 2012 Outside Director of the Company (To the present)



Director (Outside Director)

Sakutarō Tanino

● Resume

Apr. 1960 Joined Ministry of Foreign Affairs
Sept. 1995 Ambassador of Japan to India
Apr. 1998 Ambassador of Japan to China
Apr. 2001 Exited from the Ministry
June 2002 Vice Chairman of Japan-China Friendship Center
June 2012 Counselor of Japan-China Friendship Center (To the present)
Outside Director of the Company (To the present)



Audit & Supervisory Board Member (Outside)

Norio Tanaka



Audit & Supervisory Board Member (Outside)

Nobuyuki Araki



Audit & Supervisory Board Member (Outside)

Norihisa Nagano

Officers

(as of 1 November 2019)

Executive Vice President	Kenichi Ayukawa	Managing Director and CEO, Maruti Suzuki India Ltd.	Managing Officer	Shigeo Yamagishi	Executive General Manager, Vehicle Regulations and Engineering Administration, and Deputy Chief Officer, Inspection Reform Committee
Senior Managing Officer	Ichizo Aoyama	President, Automotive Electronics Power Private Limited (India)	Managing Officer	Yasuharu Osawa	Division General Manager, Marine Operations
Managing Officer	Taisuke Toyoda	Executive General Manager, Audit	Managing Officer	Satoshi Uchida	Managing Officer in charge of Marketing and India, Motorcycle Company
Managing Officer	Keiichi Asai	Executive General Manager, Inspection, and Deputy Chief Officer, Inspection Reform Committee	Managing Officer	Shigetoshi Torii	Managing Officer in charge of Production Engineering and Purchasing, and Deputy Chief Officer, Inspection Reform Committee
Managing Officer	Kazuki Yamaguchi	President, Suzuki Motor Sales Kinki Inc.	Managing Officer	Masayuki Fujisaki	Managing Officer in charge of Partnership Promotion, Corporate Planning Office
Managing Officer	Toshiaki Suzuki	Executive General Manager, Domestic Marketing I, Domestic Marketing	Managing Officer	Shinichi Akama	Branch Manager, Tokyo Branch
Managing Officer	Kinji Saito	Executive General Manager, Global Automobile Marketing	Managing Officer	Yutaka Kikukawa	Executive General Manager, Legal/IP
Managing Officer	Keiji Miyamoto	Executive General Manager, Domestic Marketing II, Domestic Marketing	Managing Officer	Masahiro Ikuma	Executive General Manager, Automobile Engineering
Managing Officer	Shinichi Imaizumi	Deputy Executive General Manager, Domestic Marketing	Managing Officer	Hisanori Takashiba	Executive General Manager, Research & Development
Managing Officer	Naoki Suzuki	Managing Officer, Connected Center	Managing Officer	Masamichi Suzuki	Deputy Executive General Manager, Automobile Engineering
Managing Officer	Kazunobu Hori	Executive General Manager, Human Resources & General Affairs, and Committee, Inspection Reform Committee	Managing Officer	Hisashi Takeuchi	Deputy Executive General Manager, Global Automobile Marketing
Managing Officer	Katsuhiro Kato	Executive General Manager, Automobile Product & Cost Planning	Managing Officer	Yukihiro Yamashita	Deputy Executive General Manager, Automobile Engineering

Corporate Governance

Directors, Auditors, and Officers | Corporate Governance

Basic Policy on Corporate Governance

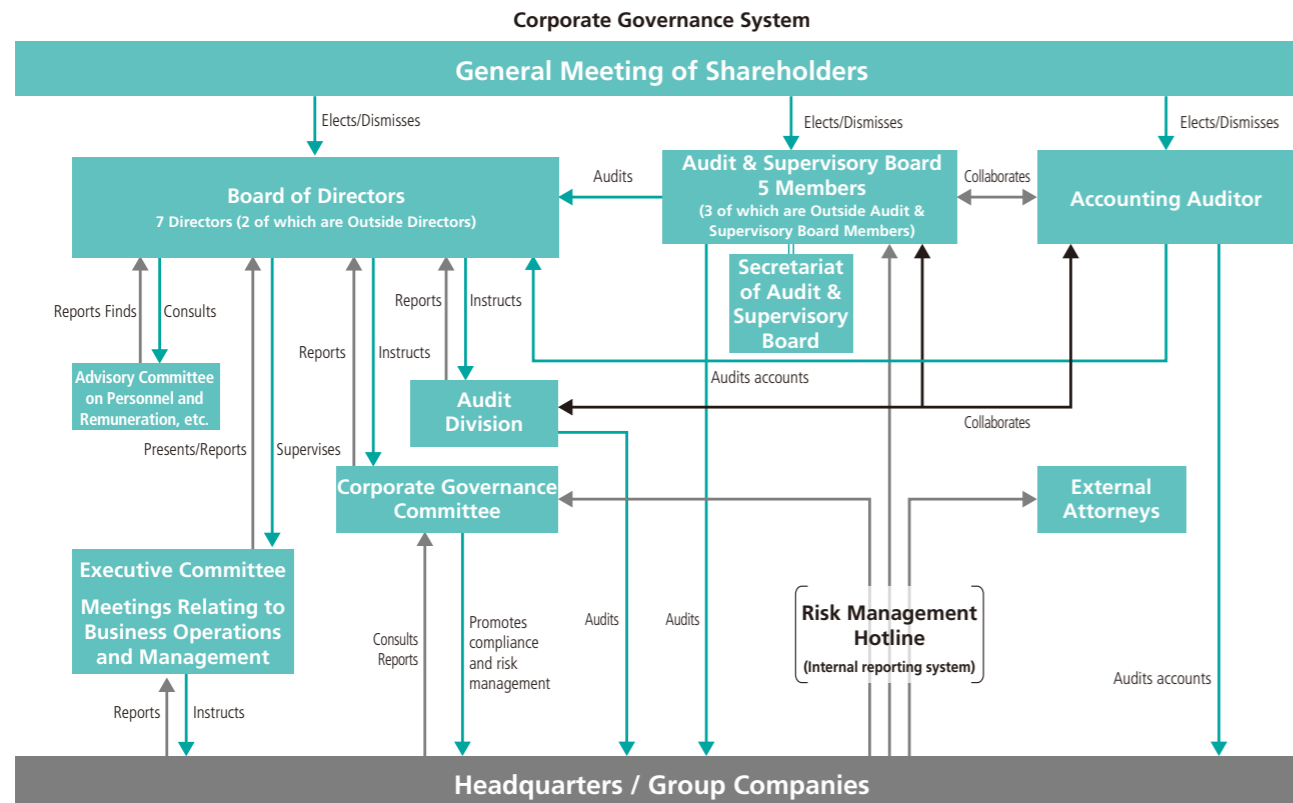
Through fair and efficient corporate activities, the Company always intends to be trusted by all our stakeholders including shareholders, customers, partner companies, local communities and employees, and to be a continuously growing company, while making a further contribution to the international community. In order to realise that intention, the Company considers that the enhancement of corporate governance is one of the most important issues for proper corporate management and is aggressively taking various kinds of measures. In consideration of the meaning of the respective principles of

the Corporate Governance Code, the Company will make continuing efforts to ensure the rights and equality of the shareholders and the effectiveness of the Board of Directors and the Audit & Supervisory Board as well as to upgrade the internal control system. Also, in order to be trusted further by society and stakeholders, we will disclose information quickly in fair and accurate manner prescribed in laws and regulations and actively disclose information that we consider is beneficial to deepen their understanding of the Company. Thus we will further enhance the transparency of the Company.

Overview of the Corporate Governance System

The Company has adopted the current system with the thought of traditional statutory auditor system being the foundation and establishment of Advisory Committee on Personnel and Remuneration, etc. and appointment of highly independent

Outside Directors enables enhancement of governance. Please refer to the Company's "Corporate Governance Report" for details of the Company's Corporate Governance System. <https://www.globalsuzuki.com/ir/library/governance/pdf/report.pdf>



Development of Internal Control System

The Board of Directors resolved the following basic policies regarding the systems to ensure the appropriateness of execution of duties (internal control systems).

1. Systems to ensure that Directors' and employees' execution of their duties complies with laws and regulations and the Articles of Incorporation
2. Systems relating to the storage and administration of the information in relation to Directors' execution of their duties
3. Rules and other systems relating to management of the risk of loss
4. Systems to ensure efficient execution of duties by Directors
5. Systems to ensure appropriateness of duties of the Corporate Group consisting of the Company and subsidiaries
6. Matters for employees to support the business of the Audit & Supervisory Board Members when the Audit & Supervisory Board Member seeks appointment of the employees; matters for independence of such employees from the Directors; and matters for ensuring the efficiency of instructions given the employees
7. Systems for reporting to the Audit & Supervisory Board Members
8. Matters regarding procedures for prepayment or redemption of expenses arising from the execution of duties of Audit & Supervisory Board Members and processing of other expenses or liabilities arising from the execution of such duties
9. Other System to ensure effecting auditing by the Audit & Supervisory Board Members

Internal Auditing and Company Auditor's Audit

[Company Auditor's Audit]

The Audit & Supervisory Board of the Company is composed of five Company Auditors including three Outside Company Auditors.

Each Company Auditor complies with the audit standards for Company Auditors defined by the Board of Auditors, the audit policy, the segregation of duties, etc., and conducts an audit for the adequate management of the Company by attending the Board of Directors and other important meetings such as Management Meeting, inspecting documents including those circulated internally to obtain approval and the minutes of a meeting and receiving reports and comments about the business status from Directors, employees, etc.

In addition, Company Auditors endeavour to strengthen the cooperation with an Accounting Auditor by exchanging opinions and sharing information as required. For example, they receive a periodic report on the matters such as audit plan, the results of quarterly review and the implementation status of annual audit implementation through the attendance at an accounting audit, etc., and receive a report on the audit quality control activities of the audit corporation.

Moreover, Company Auditors confirm the audit plan and theme proposed by the Audit Division and a report on business audit made by the Division.

To assist the duties of Company Auditors, the Company established the Secretariat of Audit & Supervisory Board, a department of dedicated staff members, which is independent of the chain of command and Directors.

Toyokazu Sugimoto, Company Auditor, has adequate knowledge of finance and accounting due to his abundant business experience mainly in the accounting and finance areas of the Group over many years. Norio Tanaka, Company Auditor, has sufficient expertise in finance and accounting due to his accumulated experience as a certified accountant

[Internal Auditing]

The structure of the Audit Division, an independent internal audit organisation, which reports directly to the President, was reinforced to have about 60 members this June.

Experts of each area of corporate business are assigned to the Audit Division to conduct a business audit of each department and the domestic and foreign affiliated companies of the Company based on audit plan. The business audit confirms arrangement and operation status of internal control such as the adequacy and efficiency of overall company business, the compliance with laws, regulations and internal rules and the management and maintenance status of assets through onsite audits and written survey. Based on the result, the Division provides advice and guidance until the improvement is made. The results of a business audit are periodically reported in conjunction with the proposed improvement plan for the findings to the Board of Directors and the Board of Auditors for the swift correction of the issues.

Moreover, as for the subsidiaries with internal audit department, the activity status of the department is confirmed. In addition, the audit plan and results are reported to obtain advice and guidance from the Company as required.

Corporate Governance

Directors, Auditors, and Officers | Corporate Governance

Basic policies in the nomination of the senior management and the nomination of the candidates for Directors and Company Auditors

The standard for nominating Directors includes that they must have rich experience and knowledge in their respective fields, that they must be capable and qualified managers, and that they must have a broad perspective required for global business management.

For candidate Outside Directors, the Company looks for people who have broad knowledge, experience and sufficient achievements in their field of origin, and who satisfy the Company's "Standard for Independence of Outside Directors and Outside Company Auditors" in order to strengthen their ability to supervise management.

For candidate Company Auditors, the nomination standard includes that the candidate must possess a high level of knowledge and proficiency in auditing all fields of the Company's business, including auditing accounts.

For candidate Outside Company Auditors, the Company seeks for people who have a high level of specialist knowledge and rich experience in finance, accounting, technology, business management, etc., and who satisfy the Company's "Standard for Independence of Outside Directors and Outside Company Auditors" in order to secure the neutrality of the auditing system. As a policy, the Company does not regard whether or not the

candidate is from within the Company, gender, nationality, etc. when looking to candidate Directors and Company Auditors.

The suitability of candidate Directors and Company Auditors is deliberated by the Advisory Committee on Personnel and Remuneration, etc., where Outside Directors/Auditors make up a majority of the membership, and based on the result of this deliberation, and with the assent of the Board of Company Auditors in the case of candidate Company Auditors, the Board of Directors then decides on the candidates to propose for election as an agenda item for a General Meeting of Shareholders.

As for Managing Officers, Advisory Committee on Personnel and Remuneration, etc. deliberates suitability in compliance with the standards for election of candidate Directors and based on the results the Board of Directors elects Managing Officers.

In the event of violation of laws and regulations, etc. by a Director or Managing Officer or of other cases where the needs of discharge or removal arises, the Board of Directors makes a resolution for discharge or removal (removal of a director is subject to a resolution through an agenda of a general shareholders' meeting) based on the results of deliberations made by Advisory Committee on Personnel and Remuneration, etc.

Reasons for Selecting as Outside Directors and Outside Company Auditors, and Status of Major Activities

Name	Reasons for Selection	Major Activities
Masakazu Iguchi	Since his appointment as Outside Director in June 2012, he has been supervising the management of the Company from a neutral position and giving beneficial advice related to the management of the Company in the manufacturing industry, based on his ample academic expertise as doctor of engineering. For the reasons stated above, the Company believes that he would be able to carry out adequately the role of outside director.	Based on his ample academic expertise as doctor of engineering, he has expressed his opinions which have beneficial effect to management of the Company in the manufacturing industry. He is also a member of "the Advisory Committee on Personnel and Remuneration, etc.", which aims the improvement of transparency and objectivity, etc., in election of candidates of Directors and decision of remuneration.
Sakutaro Tanino	Since his appointment as Outside Director in June 2012, he has been supervising the management of the Company from a neutral position and giving beneficial advice related to the management of the Company from global viewpoint, based on his ample experience and knowledge as diplomat. For the reasons stated above, the Company believes that he would be able to carry out adequately the role of outside director.	Based on his ample experience and knowledge as diplomat, from the global perspective, he has expressed his opinions which have beneficial effect to management of the Company. He is also a member of "the Advisory Committee on Personnel and Remuneration, etc.", which aims the improvement of transparency and objectivity, etc., in election of candidates of Directors and decision of remuneration.
Norio Tanaka	Since his appointment as Outside Company Auditor in June 2012, he has been performing his duties as Outside Company Auditor properly from a neutral position, based on his ample experience and expertise as a Certified Public Accountant. For the reasons stated above, the Company believes that he would be able to carry out adequately the role of outside company auditor.	Based on his ample experience and knowledge as certified public accountant, he has expressed his opinions which have beneficial effect in the Board of Directors and the Audit & Supervisory Board. He is also a member of "the Advisory Committee on Personnel and Remuneration, etc.", which aims the improvement of transparency and objectivity, etc. in election of candidates of Directors and decision of remuneration.
Nobuyuki Araki	Since his appointment as Outside Company Auditor in June 2016, he has been performing his duties as Outside Company Auditor properly from a neutral position, based on his ample experience and expertise as doctor of engineering and other important offices such as in the field of academy/environment. For the reasons stated above, the Company believes that he would be able to carry out adequately the role of outside company auditor.	Based on his ample academic expertise as doctor of engineering, he has expressed his opinions which have beneficial effect in the Board of Directors and the Audit & Supervisory Board.
Norihisa Nagano	The Company believes that he would be able to carry out adequately the role of outside company auditor from an independent and neutral position based on his ample experience and specialised knowledge as an attorney at law.	-

Please refer to the Company's "Corporate Governance Report" for the standard of independence of Outside Directors and Outside Company Auditors.

<https://www.globalsuzuki.com/ir/library/governance/pdf/report.pdf>

Outside Directors and Outside Company Auditors (as of 27 June 2019)

Name	Position	Age	Years in Service	Attribute	Committee		Independent Director/ Company Auditor	Attendance	
					Advisory Committee on Personnel and Remuneration, etc.	Corporate Governance Committee		Board of Directors	Audit & Supervisory Board
Masakazu Iguchi	Outside Director	84	7 years	Academic	○		○	17 times/ 17 times	
Sakutaro Tanino	Outside Director	83	7 years	Other	○		○	17 times/ 17 times	
Norio Tanaka	Outside Company Auditor	68	7 years	CPA	○		○	17 times/ 17 times	12 times/ 12 times
Nobuyuki Araki	Outside Company Auditor	79	3 years	Academic			○	16 times/ 17 times	12 times/ 12 times
Norihisa Nagano	Outside Company Auditor	69	New Appointment	Lawyer			○	-	-

Corporate Governance

Directors, Auditors, and Officers | Corporate Governance

Change in Attendance Rate of Board of Directors

Name	FY2016	FY2017	FY2018
Osamu Suzuki	23 times/23 times (100%)	19 times/19 times (100%)	17 times/17 times (100%)
Yasuhiro Harayama	23 times/23 times (100%)	19 times/19 times (100%)	16 times/17 times (94%)
Toshiro Suzuki	23 times/23 times (100%)	19 times/19 times (100%)	17 times/17 times (100%)
Osamu Honda	23 times/23 times (100%)	15 times/15 times (since appointment from 29 June 2017) (100%)	16 times/17 times (94%)
Masahiko Nagao	23 times/23 times (100%)	19 times/19 times (100%)	17 times/17 times (100%)
Masakazu Iguchi	22 times/23 times (96%)	19 times/19 times (100%)	17 times/17 times (100%)
Sakutarō Tanino	23 times/23 times (100%)	19 times/19 times (100%)	17 times/17 times (100%)

Corporate Governance Enhancement

		~FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
		Mid-Term Management Target (FY2010~FY2014)				New Mid-Term Management Plan SUZUKI NEXT100 (FY2015~FY2019)			
Chairman		Osamu Suzuki Chairman and President from 2008 to 2015				Toshihiro Suzuki			
President									
Board of Directors	Term	Term of board members shortened to 1 year from 2002							
	Supervision Execution	Introduced executive officers system in 2006							
	Outside directors, total directors	Appointed outside directors from 2012, 2 outside directors among 9 total				2 outside directors among 8 total			
	Supporting div.					Corporate Governance Dept. Secretariat of Audit & Supervisory Board			
	Seats	Not more than 30 from 1989				Reduced to 15			
Committees						Advisory Committee on Personnel and Remuneration, etc.			
						Corporate Governance Committee			
Vision	Corporate mission	Drafted "Mission Statement" in 1962							
	Code of conduct	Drafted Suzuki Activity Charter, Suzuki employees Activity Charter in 2003				Suzuki Group Code of Conduct			

Corporate Governance

Directors, Auditors, and Officers | Corporate Governance

Advisory Committee on Personnel and Remuneration, etc.

Aimed to enhance clarity and objectivity upon electing candidates for Directors and Auditors, as well as deciding remuneration of Directors, as an advisory committee for the Board of Directors, the Company establishes "Advisory Committee on Personnel and Remuneration, etc.". The majority of the Committee is Outside Company Directors. The Committee discusses issues such as election standards and

adequacy of candidates for Directors and Auditors, as well as adequacy of system and level of Director's remuneration. The Board of Directors decides based on their results. Decision for election and remuneration of Managing Officers are also based on results of the Committee's discussion.

Policy on determining the amount of remuneration, etc. for Directors/Audit & Supervisory Board Members

[Remuneration of Directors]

Remuneration of Directors (excluding Outside Directors) consists of a basic remuneration for each position (a fixed amount), a bonus as a short-term incentive remuneration linked to the Company's performance of each fiscal year, and a restricted stock remuneration as a mid- to long-term incentive remuneration to serve as remuneration which functions as an incentive for continuous growth of the Company. Remuneration of Outside Directors is solely a basic remuneration (at the fixed amount).

Also, remuneration of Directors will be decided by the Board of Directors based on the deliberation results of "the Advisory Committee on Personnel and Remuneration, etc.," more than half of which is Outside Directors/Outside Audit & Supervisory Board Members, on the policy regarding the decision of Director's remuneration, standards, remuneration system and adequacy of the remuneration level.

Basic remuneration and bonus will be paid within the range of the amount of remuneration limit (750 million yen or less per year (of which 36 million yen or less per year is for Outside Directors)) approved at a General Meeting of Shareholders, and the amount of

remuneration for each Director will be determined and paid in consideration of the duties, responsibilities, etc. of each Director. Bonuses will be paid based on a calculation method stipulated by the Company, linked to progress indicators of consolidated results and other factors.

Restricted stock remuneration will be paid within the range of the amount of remuneration limit (300 million yen or less per year) and the maximum number of stock (100 thousand stocks or less per year) approved at a General Meeting of Shareholders with the aim of functioning as an incentive for continuous increase of corporate value and of increasing shared values between Directors and Shareholders.

[Remuneration of Audit & Supervisory Board Members]

Remuneration of Audit & Supervisory Board Members shall be solely basic remuneration (at fixed amount), and the amount shall be decided and paid in the discussion among Audit & Supervisory Board Members within the range of the amount of remuneration limit (yearly amount within 120 million) approved at a General Meeting of Shareholders.

Amount of remuneration, etc. for Directors and Audit & Supervisory Board Members for the fiscal year

Classification of Directors/ Audit & Supervisory Board Members	Total amount of remuneration, etc.	Amount of each type of remuneration, etc.			Number of Payees (Directors/Audit & Supervisory Board Members)
		Basic remuneration	Bonus	Remuneration as the form of share acquisition	
Directors (excluding Outside Directors)	¥410 million	¥240 million	-	¥170 million	6 people
Outside Directors	¥28 million	¥28 million	-	-	2 people
Total	¥439 million	¥269 million	-	¥170 million	8 people
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	¥56 million	¥56 million	-	-	2 people
Outside Audit & Supervisory Board Members	¥27 million	¥27 million	-	-	3 people
Total	¥83 million	¥83 million	-	-	5 people

Notes: 1. The amount of remuneration for Directors (basic remuneration and bonus) has been resolved to be 750 million yen or less per year (of which 36 million yen or less per year is for Outside Directors). In addition to this, the amount of remuneration for Directors not including Outside Directors for granting restricted stock has been resolved to be 300 million yen or less per year. (Both: the 151st Ordinary General Meeting of Shareholders held on 29 June 2017)

2. The amount of remuneration for Audit & Supervisory Board Members has been resolved to be less than 120 million yen or less per year. (the 151st Ordinary General Meeting of Shareholders held on 29 June 2017)

3. As described in "Policy on determining the amount of remuneration, etc. for Directors/Audit & Supervisory Board Members," based on a calculation method linked to the Company's business performance for the fiscal year, ¥189.9 million had been recorded as "bonuses" for the above Directors (excluding outside Directors). However, since the improper conducts regarding the final vehicle inspection operation was revealed, the Company decided not to pay Directors' bonuses for the 153rd term.

4. The above-mentioned "bonus" and "remuneration as restricted stock" are amounts reported as expenses for the fiscal year.

Policy on Cross-Shareholdings

The Company will hold shares of business partners and others for realising sustainable growth and enhancing our mid- and long-term corporate value when we determine that such shareholdings will contribute to creation of business opportunities, business alliances as well as establishment, retention, reinforcement, etc. of stable transactions and cooperative relations.

Appropriateness of individual cross-shareholdings is examined by the Board of Directors every year. The Company makes a comprehensive judgment on the accompanying benefits, risks, etc. of holdings taking into consideration nature, scale, etc. of transactions and setting qualitative criterion including aspect of enhancement of corporate value and quantitative criterion including comparison with capital costs

for judgment and once a stock is decided to be sold, then the company shall advance reduction.

The Company will exercise the voting rights under cross-shareholdings examining for each agenda from the viewpoint of conditions of their operation, contribution to raising our mid- and long-term corporate value and whether subject agenda does not spoil stakeholders' value while respecting the management policy of the companies in which we hold shares. As specially focussed agendas, the Company assumes introduction of anti-takeover measure, business reorganisation, agendas relating to appointment of directors in the cases of continuously deteriorating business performance, etc.

Compliance System and Risk Management System

[Measures relating to compliance]

- The Company is integrating lessons on compliance without fail in training for all levels such as for managerial position and the annual training for employees after joining the Company. Training on laws, regulations, etc. concerning safety and environment is provided for engineers to sufficiently understand laws, regulations, etc. with which they are required to comply in carrying out their work. Further, E-learning and other formats are being used to raise awareness toward compliance related to business activities.

In addition to the above, with regard to the final vehicle inspection operations, the Company is making efforts to raise normative consciousness of the employees of the plant departments including mainly the inspectors engaged in the final vehicle inspections. It is doing this by giving lectures from the Chairman and the President, distributing the internal notification on compliance, and providing training on the type designation system.

- We regularly check laws and regulations in each domestic and overseas subsidiary regarding their operation, observe each company's activity toward compliance of the laws and regulations while we take necessary measures for such compliance.

As a lesson learned from the case regarding the improper measurement test of fuel consumption disclosed on May 18, 2016, we set the day as "Remember 5.18" so that we do not let our determination to not violate regulatory compliance fade away. Also, we perform thorough checks focussing on the staff of the engineering, manufacturing, and purchase departments to see whether they comply with laws and regulations by stopping operations for one day.

- Education, training, and urging posters at all worksites are some methods being used to ensure awareness of the "Suzuki Group Risk Management Hotline" in an effort to discover compliance issues early and to respond appropriately.

- The Corporate Governance Committee engages in enhancement of compliance awareness by employees and urges caution for individual legal compliance throughout the Company. Furthermore, if compliance issues arise, the Committee conducts deliberation for each issue, formulates required measures, and reports the details to the Board of Directors and the Audit & Supervisory Board Member as appropriate.



Urging posters (from left, 2018/2017/2016)

[Measures relating to risk management]

- The Company has constructed a system in which issues occurring or recognised in any department are deliberated on promptly by the Corporate Governance Committee or the Executive Committee, depending on their urgency and severity.

- Since smooth communication of information within the Group is effective for early discovery of problems, the top level of management is directly supervising the thorough application of these basic rules of information communication by all Directors, officers and employees: "Immediately give reports to your manager. Immediately contact your manager. Think for yourself, then consult;" and "Observe the actual site or object to plan measures and take action."

- In regard to risks of legal violations, the Company is continuously identifying laws and regulations related to operations of the Company, domestic subsidiaries, and overseas subsidiaries. In addition to confirming the status of compliance, the Company is constructing corrective measures as necessary.

- Internal rules are constantly being developed in each department. The Company is working to strengthen systems for efficient and appropriate operations in compliance with laws, regulations, etc. We all have provided chances for ourselves to check each work procedure and make the necessary improvements regularly every year.

- In accordance with the Company's "CSR Guidelines for Suppliers" to comply with laws and regulations, we are working with suppliers to fulfill our corporate responsibilities together, including those relating to human rights, labour and the environment, with the principle of safety and quality first in our mind.

- As part of measures to prepare for natural disasters, the Company held two trainings for tsunami evacuation assuming the occurrence of the Nankai Trough Megaquake. The Company also reviewed issue in our Business Continuity Plan (BCP) and made necessary revisions.

CSR Policy

Structure for promoting CSR

At the Executive Committee meetings attended by Representative Directors and Directors and Managing Officers concerned, issues, policies, and measures concerning CSR activities are discussed. Along with the management, the Company as a whole, aims to promote viable CSR activities.

Steps in defining materiality (key issues) in CSR activities

We have defined the materiality (key issues) in CSR activities of the Suzuki Group, led by the departments in charge of CSR including corporate planning departments (Corporate Communications, Corporate Management/IR, and Corporate Governance) and environmental departments, using the following steps.

Steps in defining materiality in CSR activities

Step 1	Extract issues based on GRI guidelines, etc.
Step 2	Departments in charge of CSR organise and discuss issues extracted, and decide their significance for the Suzuki Group
Step 3	Decide significance for the stakeholders through meetings with ESG investors and environmental NGOs
Step 4	Define materiality and decide their priority from two axis: significance for the Suzuki Group and for the stakeholders
Step 5	Check their compliance with the mid-term management plan

The defined materiality is shown in the following matrix. Based on this materiality, the Company will work on the CSR activities and review it periodically.

Significance for the Stakeholders	Extremely High	<ul style="list-style-type: none"> - Occupational health and safety - Traffic safety - Environmental conservation - Respect for human rights - Supply chain management 	<ul style="list-style-type: none"> - Enhancement of product quality (development, production, sales, and service) - Reduction of CO₂ emissions - Development and popularisation of environmental technologies - Development and popularisation of safety technologies - Corporate governance and compliance - Stable growth of sales and income
	High	<ul style="list-style-type: none"> - Effective use of resources (raw materials, energy, and water) - Diversity - Educational support - Contribution to the local communities 	<ul style="list-style-type: none"> - Enhancement of corporate value - Nurturing of human resources - Stable labour/management relations - Enforcement of risk management
		High	Extremely High
		Significance for the Suzuki Group	

SDGs and CSR activities of the Suzuki Group

Sustainable Development Goals (SDGs), which were adopted by the United Nations in September 2015, aims to realise better international society by setting 17 goals in society, economy, and environment to be worked on by 2030 and make efforts for their solutions. All entities including corporations and all persons in all countries and regions are required to take necessary actions.

The Suzuki Group supports SDGs and will actively take responsibilities in goals that we can contribute in their achievements through our CSR activities.



Policy for Stakeholders

Main stakeholders	Policy	Ways of dialogue and communication
Customers	For Customer Satisfaction While keeping in step with the times and taking the opinions of the public into full consideration, use our knowledge and skills to create useful products of real value that satisfy the customer. Do our best to provide quick, reliable, and stress-free sales and after-sales services in order to enhance customer satisfaction.	<ul style="list-style-type: none"> - Marketing activity (sales and after-service) - Customer Relations Office - Customer events - Safety driving lectures, etc.
Business Partners	For Prosperous Coexistence Cooperate with our business partners on even ground to maintain confidential and prosperous relationships for manufacturing value-packed products while practicing initiatives for compliance to laws and regulations, respect of human rights, and preservation of the environment.	<ul style="list-style-type: none"> - Presentation of procurement policy - Procurement activity - Co-development - Trading of opinions between the management or persons in charge, etc.
Shareholders & Investors	For Improvement of Corporate Value Disclose information promptly, appropriately, and fairly while seeking communication with shareholders and investors, and strive to reinforce management base and improve our corporate value.	<ul style="list-style-type: none"> - Annual General Meeting of Shareholders - Presentation for institutional investors - IR events for individual investors - Publication of various reports, etc.
Employees	For Comfortable and Worthwhile Workplaces Create a workplace based on the following points that allows for employee self-improvement and advancement. 1. Create a safe and healthy workplace for employees. 2. Create a system that fairly evaluates and supports those who want to take the initiative in advancing their careers. 3. Create a good and stable employer-employee relationship.	<ul style="list-style-type: none"> - Safety and health committee - Consultation desk - Goal-challenging system - Self-actualisation system - In-house education and training program - Labour-management consultations, etc.
Local Community	For a Community-Friendly Company Contribute to the development of social community through positive communications with local communities and social action programs, and act as a responsible member of society.	<ul style="list-style-type: none"> - Local contribution activities in each domestic and overseas office - Educational support activity - Suzuki Plaza, etc.
Environment	For Global Environmental Conservation We acknowledge that activities in environmental conservation are the most important part of business management. Environmental conservation is promoted in accordance with our "Suzuki Global Environment Charter" through our business activities and products in order to achieve a society with sustainable development.	<ul style="list-style-type: none"> - Establishment, promotion, and reporting of Environment Plan 2020 - Opening of and participation into various environment events - Environment education and lectures, etc.

Third-party evaluation concerning CSR

Suzuki Motor Corporation was included in the FTSE4Good Index Series and the FTSE Blossom Japan Index, global indexes for ESG (Environment, Social, and Governance) investments, for the first time.

The Company will continuously be conscious of disclosing the efforts for ESG, and enhance communication with the stakeholders to consistently promote sustainable enhancement of corporate value.

FTSE4Good Index Series

Created by FTSE Russell, a wholly owned subsidiary of London Stock Exchange Group, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indexes are used by a wide variety of market participants focussed on ESG investments to create and assess responsible investment funds and other products.

More information about FTSE4Good Index Series <https://www.ftserussell.com/products/indices/FTSE4Good>



FTSE Blossom Japan Index

The FTSE Blossom Japan Index is an ESG index focussed on Japanese firms. The index is constructed so that industry weights align with the Japanese equity market and uses the globally established FTSE4Good Index Inclusion Rules which are drawn from existing international standards including the UN Sustainable Development Goals.

More information about FTSE Blossom Japan Index <https://www.ftserussell.com/products/indices/blossom-japan>



Environmental Initiatives

CSR Policy | Environment | Product Quality/Product Safety | Human Resources | Business Partners

Basic concept

As a manufacturer of automobiles, motorcycles, marine, and other items, Suzuki acts in consideration of the environment at all product stages from development to disposal.

In product development, our environmental initiatives include improving fuel economy, reducing exhaust emissions, developing next-generation vehicles, and acting in consideration of recycling. In manufacturing, our efforts include reducing global CO₂ emissions, reducing energy requirements, and promoting the use of alternative energy sources. In distribution, we focus on improving the operational efficiency and energy efficiency of transportation and on promoting the 3Rs (Reduce, Reuse and Recycle). In marketing, we promote environmental management among our dealers and strive to ensure proper disposal of end-of-life products.

We also pursue environmental initiatives that are not directly related to our products. For instance, we promote energy savings and green purchasing in our offices, give our workers environmental education, and support social action programs in local communities.

Suzuki Environmental Plan 2020

We believe that our most important task is to seriously recognise effects to environment generated from our business operations, develop products that carefully consider environment and promote business operations that reduce environmental effects. To accomplish this, we are working on Suzuki Environmental Plan 2020 with Team Suzuki involving domestic and overseas affiliates to build the base for 2020, which is the 100th anniversary of foundation, and for the next 100 years, following the 4 themes listed below. New goals are set, including a 28% reduction in CO₂ emissions due to automobile use by 2020*¹ and a 10% reduction in CO₂ emissions from all production center of the Suzuki Group, in Japan and overseas, by 2020*².

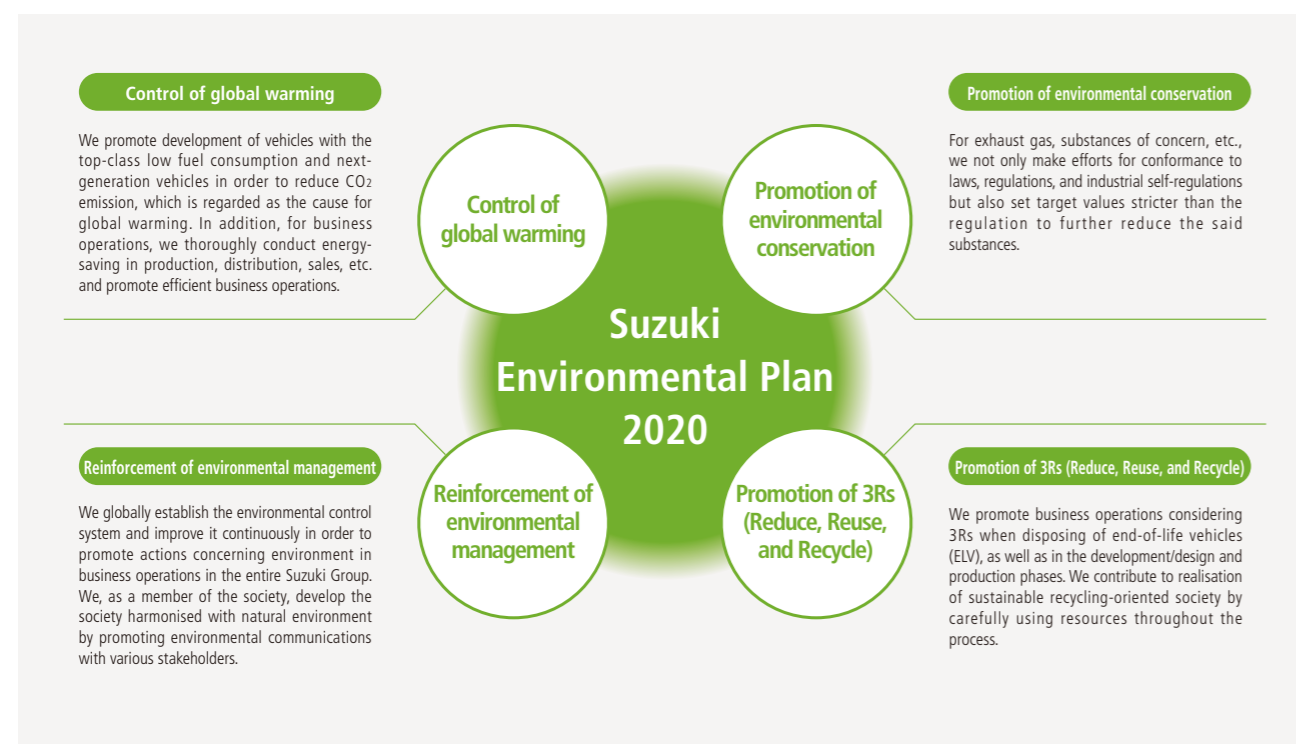
The details of the Suzuki Environmental Plan 2020 are available in the Suzuki CSR & Environmental Report. The report features ESG (Environment, Social, and Governance) initiatives and data receiving increased attention from stakeholders, including the environment, human rights, labour, and compliance.

Reduction in CO ₂ emissions due to automobile use	28%
Reduction in CO ₂ emissions from all production center of the Suzuki Group	10%

*1 Compared with FY2005. *2 Compared with FY2010.

Suzuki CSR & Environmental Report

<https://www.globalsuzuki.com/corporate/environmental/report/>



Introduction of Electrification

Suzuki promotes reduction of CO₂ emissions by introducing mild hybrid technology to compact/mini passenger cars and hybrid technology adopting Suzuki's original AGS mechanism.

Also, in order to reduce CO₂ emissions furthermore and realise zero emissions in future, we promote the development of compact EVs suitable for daily life.

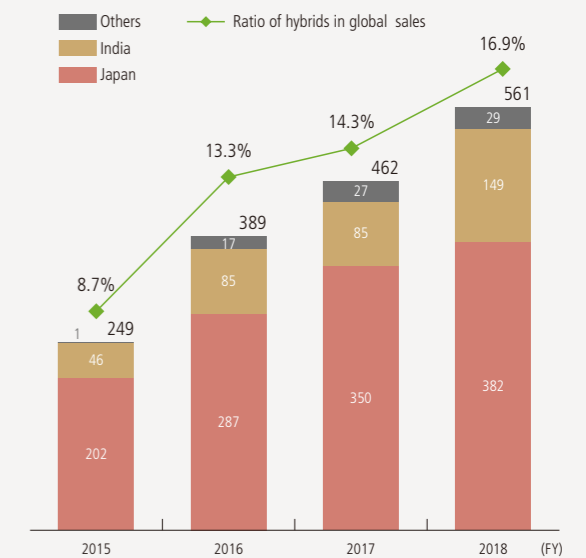
Sales units of models equipped with hybrid system

(Thousand units)

	FY2015		FY2016		FY2017		FY2018	
	Global automobile sales units	Of which hybrids	Global automobile sales units	Of which hybrids	Global automobile sales units	Of which hybrids	Global automobile sales units	Of which hybrids
Japan	630	202	639	287	668	350	725	382
India	1,305	46	1,445	85	1,654	85	1,754	149
Others	926	1	835	17	902	27	848	29
Total	2,861	249	2,918	389	3,224	462	3,327	561

* Hybrids include Mild Hybrid, S-Ene Charge, and SHVS.

* Hybrids units in Others are units exported from Japan and India.



Lineup of models equipped with hybrid system

Mini: WagonR/WagonR Stingray, Hustler, Spacia/Spacia Custom/Spacia Gear

Compact: Solio/Solio Bandit, Swift, XBEE, Baleno, Ignis, Ciaz, Ertiga, SX4 S-CROSS

* Depending on the market, there are models that are not equipped with hybrid system.

Topic

Development of next-generation vehicles

Development of electric vehicles

Field test of 50 prototype electric vehicles started in India from October 2018. Testing of these vehicles will help to gather valuable insights as well as critical inputs based on customer perspectives and create a reliable and suitable electric vehicle to delight Indian customers. We plan to feedback these data to the electric vehicle which is being developed for launch at around 2020.



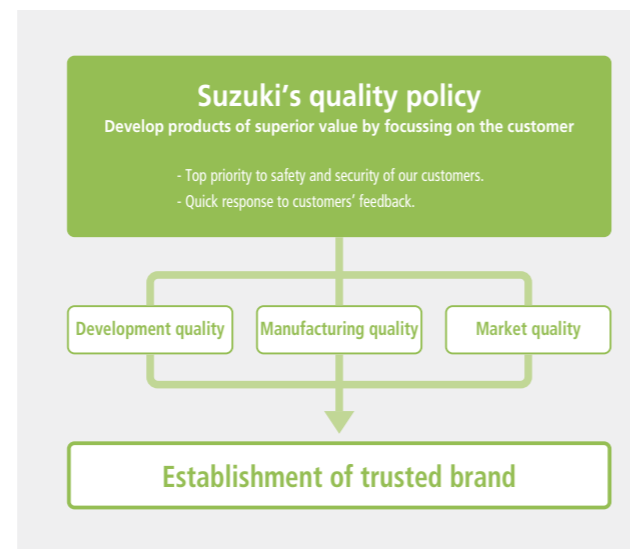
Product Quality/Product Safety

Efforts for Product Quality

Suzuki Group is making efforts to give “the first priority to quality” as the most critical matter for “strengthening of manufacturing”. We are aiming at becoming a trusted brand by giving top priority to the safety and security of our customers, developing and manufacturing quality products that our customers can use with security, and quickly responding to feedback from our customers during after-sales services.

Suzuki’s quality policy

In order to have our products used by our customers safely and securely, all departments involved in the entire process, including product development and design, manufacturing at production plants, sales to customers at markets, and the provision of after-sales services, are promoting actions cross-functionally to improve the quality from the viewpoint of customers.



Quality management system

Suzuki Group has adopted the international standard ISO9001 as its quality-management system. In addition to five plants in Japan, major overseas plants in India, Thailand, Hungary, etc., have also adopted the ISO9001.

Pak Suzuki Motor Co., Ltd., a sales and manufacturing subsidiary in Pakistan, also acquired the certificate in FY2018. As a result, the ratio of production at plants certified by ISO9001 against the entire global production of automobiles in the Suzuki Group in FY2018 (3,394,000 vehicles) reached approximately 99%. We will promote the quality management in the entire Suzuki Group, and continue to make efforts to realise quality improvement.

Acquisition of ISO9001

	Country	Plant
1		Suzuki Motor Corporation: Kosai Plant
2		Osuka Plant
3	Japan	Sagara Plant
4		Iwata Plant
5		Hamamatsu Plant
6		Maruti Suzuki India Limited
7	India	Suzuki Motor Gujarat Private Limited
8		Suzuki Motorcycle India Private Limited
9	Pakistan	Pak Suzuki Motor Co., Ltd.

	Country	Plant
10	Indonesia	PT. Suzuki Indomobil Motor
11		Suzuki Motor (Thailand) Co., Ltd.
12	Thailand	Thai Suzuki Motor Co., Ltd.
13	Vietnam	Vietnam Suzuki Corp.
14	Hungary	Magyar Suzuki Corporation
15	Colombia	Suzuki Motor de Colombia S.A.
16		Jinan Qingqi Suzuki Motorcycle Co., Ltd.
17	China	Changzhou Haojue Suzuki Motorcycle Co., Ltd

Efforts for safety

Suzuki reinforces “efforts for safety technologies” and actively improves the safety so that every single person including pedestrian and bicycle, motorcycle, and automobile drivers can live in a safe mobility society with each other.

Suzuki Safety Support

Suzuki Safety Support was born from our wish to have everyone enjoy their cars safely.

In order to prevent accident and secure customer's safety in case of an accident, we will make our utmost effort to minimise even near-miss accidents through various driving-support technologies.



Suzuki Safety Support Technologies

- Collision-mitigation braking
- Dual Sensor Brake Support
- Dual Camera Brake Support
- Radar Brake Support II
- Back-up Brake Support
- False Start Prevention Function
- Rear False Start Prevention Function
- Lane Departure Prevention Function
- Lane Departure Warning Function
- Weaving Warning Function
- Preceding Car Departure Announcing Function
- High Beam Assist
- Road Sign Recognition Function
- Head-up display
- Camera for all-direction monitor
- Adaptive Cruise Control

* As of September 2019. For specific model and variant equipped with these technologies, please refer to each model's catalogue.

Efforts for traffic safety

Suzuki Group not only makes efforts in technologies but also in awareness of traffic safety as well. For example, in overseas, Maruti Suzuki India makes efforts in various projects in execution of traffic laws and awareness of traffic safety. Such projects include Automated Driving Test Centres, introduction of traffic safety management system, management of Institutes of Driving Training and Research, and traffic safety education.



Topic

The Solio and the XBEE achieved top rating in JNCAP safety performance evaluation



The compact passenger car Solio and Solio Bandit*¹, which feature our preventive safety technology “Suzuki Safety Support”, attained the top rating of ASV*²+++ (triple plus) in the FY2018 JNCAP*³ program of preventive safety performance assessment.

Also, the compact passenger car XBEE*⁴ attained the top rating of the Five Star Award in the FY2018 JNCAP program of collision safety performance assessment.

Suzuki will introduce the preventive safety technology “Suzuki Safety Support” to various models to support safe and secure driving for our customers, and going forward, Suzuki will continue to strengthen efforts for safety technologies to enhance safety of cars.

*1 Car equipped with Suzuki Safety Support Package equipped with omni-directional monitoring camera package
*2 ASV: Advanced Safety Vehicle
*3 JNCAP: Japan New Car Assessment Program
*4 Car equipped with Suzuki Safety Support Package

Human Resources

Human Resources

Under the mission statement “Develop products of superior value by focussing on the customer”, Suzuki takes actions to accomplish the mission that our every single employee thinks and acts by themselves and provides customers with products that will enrich their life. We give the first priority to assurance of stable employment. Also, we try to improve work conditions in order to build healthy and a better working environment. Employees mutually help each other and try to be a person who can contribute to the society with the spirit of “Team Suzuki”, and the management and employees band together and build a refreshing and innovative company. In addition, we strive to create systems and environments, focussing on the following points, in order to cultivate the corporate climate that employees go for a big future with motivation and ambition.

- **Create a safe and healthy workplace for our employees.**
- **Create a system that fairly evaluates and supports human resources who try the higher goal.**
- **Create good and stable relationships between the employer and employees.**

Efforts for safety, health and traffic safety

Suzuki is promoting the safety and health management activities through our basic safety concept.

Basic Safety Concept

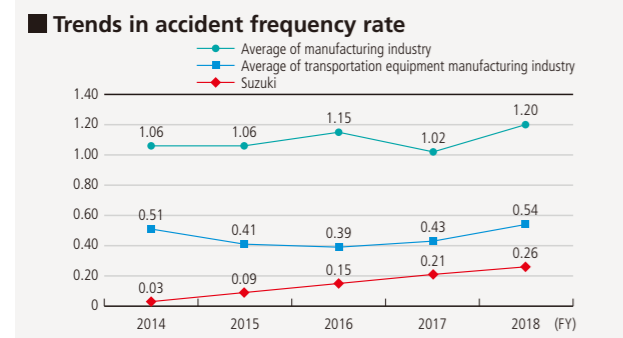
- **Make Safety as first priority. (Safety First)**
The basis of corporate activities is “human”.
The first priority must be always given to safety that protects “human”.
- **All accidents are preventable.**
Managers must lead the workplace, having the strong belief “all labour accidents can be prevented”.
- **Safety is everyone's responsibility.**
While the corporate conducts what they should do, every single person must take responsible actions to protect themselves.
Let's make the climate where everyone follows the rules and mutually warns each other in the workplace.

● Safety and health control system

The “Central Safety and Health Committee” to which representatives from offices and labour unions attend is held twice a year to determine basic policies related to corporate “work safety”, “labour health” and “traffic safety”. In addition, the Central Safety and Health Committee conducts the central safety patrol once a year to raise safety awareness within the company through crossfunctional safety activities by inter-department crosschecks. The Departmental Safety and Health Committee is established at each office and constantly conducts activities related to safety and health based on the policy of the Central Safety and Health Committee.

● Risk assessment activities

Suzuki implements “risk assessment” mainly for prevention of risks as safety prefetch activities. Through these activities, we try to improve safety by identifying potential risks in operations and promoting countermeasures to prevent them. We have introduced risk assessment for the close call cases in 2001 and have been working on risk assessment in regular operations since 2013. Same initiatives for safety and health control as well as risk assessment are also conducted in overseas.



Safety education at overseas plant

Secure and Comfortable Working Environment

● Diversity (varieties of human resources)

Suzuki assigns a variety of human resources regardless of genders, ages and nationalities to any departments. In order to further promote diversity of human resources, we determine promotions of official positions by considering individual performance, capabilities, etc. regardless of genders. People from other countries are also employed according to the same recruitment standards applicable to Japanese workers. We will maintain and improve our working environment so that a wide variety of human resources can work actively.

● Actions to promote participation by women

Suzuki established the action plan related to promotion of participation by women in order to realise the society where women can demonstrate their abilities and work successfully more. According to this action plan, we will increase hiring of women, reinforce training, improve work environment and establish the support system including child-care leave.

● Initiatives for shortening working hours

Initiatives are made to shorten working hours by introducing various systems so not to have our employees to become ill due to long working hours.

- **Strict management of overtime working hours based on total working hours**
- **Introduction of flexible time system that bans early and late working hours**
- **Introduction of interval system between working hours to secure continuous resting time**

Employee relations

Through mutual confidence, we have developed a good relationship with the Suzuki Labour Union, which represents Suzuki Employees. Among the labour union's goals are stable employment and maintaining and improvement of work conditions. In order to meet these conditions, stable development of the company is required. When negotiating salaries, bonuses, labour hours, etc. as distributions of the results of corporate activities, we do share the same basic vector, which aims to stable development of the company while having discussions from different standpoints: the company and labour union. The number of the labour union members is 16,225 as of the end of FY2018, and the unionisation rate of full-time employees (excluding managers and non-union members defined in the labour agreement) is 100%.

● Employee communication

We arrange frequent labour-management consultations to ensure that employee ideas are reflected in all of our departments, such as research and development, design, manufacturing, sales, etc. In addition to discussing requirements (salaries, bonuses, labour hours, etc.) we hold monthly discussions that regularly cover a wide range of issues such as management policies, production planning, working hours, welfare, safety and health, etc., and earnestly exchange ideas on what Suzuki and the labour union can do to deliver quality products to the customer.

	Frequency
Central Labour-Management Consultation	Monthly
District Labour-Management Consultation	Monthly

● Building a stable relationship with the labour union in the Suzuki Group

The Suzuki Group has 130 member companies (manufacturers, non-manufacturers, sales companies) at home and abroad. It is our hope that those 130 member companies are individually trusted by the local residents, society, and customers. At Suzuki, seminars are given to union officials and human resource management personnel of overseas companies to make them understand the importance of cooperative relationship and smooth communication between labour and management, as well as the need for a fair and equal personnel management system, etc. We also work with the labour union to promote global personnel exchanges both domestically and abroad, and we strive to establish a work climate which allows our 67,000 employees in 130 companies to enjoy working with a highly creative and stable labourmanagement relationship.

Human Resources

● Initiatives by Maruti Suzuki India Limited

For the development of the company through labour-management cooperation, Maruti Suzuki is working to establish healthy labour-management relationship based on discussions with the union. The company is making efforts in continuously strengthening mutual labour-management communication, such as by periodically holding meetings between the union and the president, plant managers, human resource managers, and other managers. Also, the company organises various events jointly with unions such as arrangement of plant tour for family members, sports meet, family day and many other events where all employees take part.

There are independent unions in each plant as per statutory requirements. All major policy changes affecting workers are discussed with union representatives. Such changes are communicated to all the workers directly and through union representatives.

	Frequency
Managing Director Communication with Department Heads	Quarterly
Managing Director Communication with Union	Monthly
Senior Management (Production and Human Resources) Communication with Associates, Supervisors and Workers	Monthly
Human Resources Managers and Plant Managers Communication with Union	Weekly



Labour-management meeting



Plant tour for family members

● Efforts for career advancement

Suzuki feels that setting high goals is an excellent way to grow one's self and that such trial itself is the DNA of Suzuki. In order to cope with rapid changes in the market environment, every single employee must set higher goals and strive to acquire higher technical capabilities. Suzuki implements the rich human resource development program that supports such individual challenging spirit.

● Goal Challenge System

Suzuki feels that it is an excellent way to improve one's self that not simply waiting for instructions from the supervisor but voluntarily setting and striving for the goal in terms of accomplishment of the work. Our Goal Challenge System is introduced to allow employees to set and achieve higher goals. In this system, employees confer with their supervisors every half period and set specific goals to be achieved over the course of six months. Through this process, employees can clarify their own goals and improve motivation toward them. In addition, their supervisors can appropriately evaluate their goal attainment levels and recognise the training points required to further improve their capabilities.

Suzuki's personnel system places greater emphasis on occupational ability than seniority. Intended to develop professional human resources who will lead Suzuki's further growth, it is based on an objective and fair personnel evaluation system according to types of work, roles, responsibilities and results of individual employees. The performance-based personnel system and the goal setting system motivate employees' intentions to step up each rung of the corporate ladder.

● Self-assessment System

This system is to grant employees opportunities to review their work and capabilities once a year, reconfirm their own strength and weakness, and lead them to further improvement in capabilities. In addition, they can clarify jobs and departments that they want to try as the career plan, and submit it to their supervisors and the Human Resources Department. The submitted contents are effectively utilised as the basic data for development and optimal assignment of human resources.

● Rotation system

Suzuki implements systematic rotations of human resources by preparing the companywide personnel change plan in order to improve employees' knowledge and technical skills and activate our organisations. The goal we set in this system is to have all young employees of technical jobs, office jobs and sales jobs experience the transfer to different department(s) within 10 years after entering the company.

● International training program

We have been implementing "6-month overseas training business trip expatriate" that send young employees to overseas affiliates since FY2015 in order to develop global human resources.

(FY2015~2018 total 27 persons...FY2015-6 persons, FY2016-6 persons, FY2017-5 persons, FY2018-10 persons)



● Foreign language training program

In order to improve language skills of employees, we have introduced the system to allow young employees up to 7th year at the company to set the target score of TOEIC and to take a TOEIC test for free (examination fees are paid by the company).

In addition, we support improvement in language skills by introducing correspondence courses provided by external educational organisations, as well as opening in-house language seminars of English, Spanish, Chinese, Thai, Indonesian, etc. before and after work hours by inviting external teachers to the company. Suzuki provides employees who have completed such programs with a subsidy for a part of the expenses. 878 employees took the program in FY2018.

In-house education system

At Suzuki, enterprise education including seminars according to management hierarchy are conducted based on the policy of our mission statement by the Training Center (Suzuki Juku), a group in charge of education. Training Center also cooperates with engineering and manufacturing departments to conduct (specialised) training for individual occupational abilities needed for execution of operation.

Also, active efforts are made to enhance employee performances by educating specific knowledge and skills in each department to nurture human resources, as well as through e-learning, correspondence course, and language seminars.

Especially in seminars according to management hierarchy, main focus is emphasising education for "enhancing abilities of young employees", "developing leaders in each management hierarchy", and "systematically developing management class".

1. Training for enhancing abilities of young employees

- Trainings according to the year of joining the company are conducted every year for young employees from 2nd to 7th year employees.

2. Selected trainings for systematically developing management class

- Training for young assistant managers
- "Assistant manager leader training", which lets the participants discuss on management challenge and make presentation to the management top
- "Global leader training", which is focussed on English communication
- Selected training for managers
- "Core management training", which educates subjects needed for the management such as "leadership" and "organisation management".



■ Number of training participants (Suzuki Group)

2016	52,800
2017	59,500
2018	60,500

Business Partners

With Our Business Partners

Suzuki intends to make a social contribution under the first paragraph of the mission statement: “Develop products of superior value by focussing on the customer”. In creating such valuable products, we believe that the procurement section’s role is to work in mutual cooperation with our business partners so that both parties may prosper. Those business partners are selected through an impartial procedure based on quality, cost, deadline delivery, technical development capabilities, risk management, and past track record. And we have an open door policy, which offers the chance of teaming up with Suzuki regardless of size, track record, or countries/regions.

Sustainable relationships

In creating trusting relationships with our business partners we aim to establish sustainable relationships. For that purpose, we regard the mutual communications as the most important factor, and are making efforts in mutual understanding by holding Procurement Policy Presentation once a year to our business partners to share Suzuki’s policy and product/production plans as well as to inform our procurement policy based on those plans. Also, we are sharing ideas not only between the top and middle managements, but also between managements and individuals responsible for daily business operations.



Procurement policy presentation (March 2019)

Global procurement

We will accelerate global procurement activities by working with worldwide manufacturing bases. Previously, procurement activities were carried out mainly on individual local bases, but we have shifted to a more global-basis approach to obtain the most suitable parts at competitive prices. That benefits not only Suzuki, but also our business partners who can stably receive orders and accumulate various technologies. By sharing those merits we can build more confident relationships.

Business Continuity Plan

In addition to earthquake-proof reinforcing of individual office buildings, we have started compilation of a business continuity plan (BCP). We regard the preparation for earthquakes, tsunami and other wide-scale disasters as part of our responsibility to local community, business partners, and customers. We recommend disaster measures such as quakeproofing to our partners located in areas that are likely to experience heavy damage. We are also prepared to aid our business partners in their recovery if they should fall victim to such disaster.

Efforts for compliance with laws and regulations, respect for human rights and environmental conservation

Suzuki is complying with laws and regulations of each country and region (for example, compliance with “Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors” and business operations according to the five principles for procurement in “Automotive Industry Appropriate Transaction Guidelines” in Japan), respect for human rights and environmental conservation. Also we establish Suzuki CSR Guidelines for Suppliers and request our business partners to practice efforts for compliance with laws and regulations, respect for human rights and environmental conservation.

● Basic policy regarding human rights

As stated in the “Suzuki Group Code of Conduct”, we believe that respect for human rights is the base for all corporate activities and thorough efforts are made even in the CSR activities. The Suzuki Group has no intention of taking part in any action that would lead to infringement of human rights. We will promote respect of human rights with our business partners.

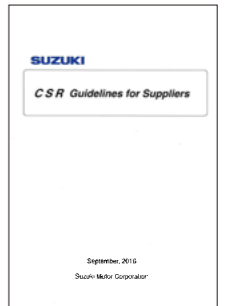
Initiatives concerning human rights

- Prohibiting all types of harassments
- Safe and healthy working environment, and good employee relations
- Eliminating discrimination in employment
- Prohibiting child labour and forced labour
- Not using conflict minerals causing human rights infringement

● Suzuki CSR guidelines for our business partners

Stakeholders including business partners of Suzuki are getting multinationalised and diversified as our business activities are developed globally. So, we are expected to fulfill social responsibilities with due considerations to other cultures and histories, as well as to follow legal and social norms of various countries. Based on such social requests, we compiled basic concept and practices of social responsibilities that we should accomplish with our business partners as “Suzuki CSR Guidelines for Suppliers”. We are requesting our partners to comply to the guidelines upon making procurement throughout the Suzuki Group. We kindly request our business partners to understand the purpose and cooperate with us to promote CSR activities together.

https://www.globalsuzuki.com/corporate/environmental/green_policy/pdf/SUZUKICSRGuidelinesforSuppliers.pdf



(Initiatives to maintain workable guideline)

- Efforts are made in understanding the environmental conservation initiatives of our business partners by conducting research on greenhouse gas emissions and water usage amount once a year.
- Aimed to prevent one-sided cost reduction request and delay in payment to our suppliers throughout the whole supply chain, we are holding case-by-case presentation to widely notify about proper trading.
- Quality audit are held periodically (frequency based on rank in quality) under the Supplier Quality Assurance Manual that compiles Suzuki’s basic policy, activities, and requests for quality assurance.

CSR Guidelines for Suppliers (excerpt)

1.Safety / Quality

- Providing products and services that meet customers’ needs
- Sharing appropriate information about products and services
- Ensuring safety of products and services
- Ensuring quality of products and service

3.Environment

- Implementing environmental management
- Reducing greenhouse gas emissions
- Preventing air, water, and soil pollution
- Saving resources and reducing wastes
- Managing chemical substances

2.Human Rights / Labor

- Eliminating discrimination
- Respecting human rights
- Prohibiting child labor
- Prohibiting forced labor
- Not using conflict minerals causing human rights infringement
- Wages
- Working hours
- Dialogue with employees
- Safe and healthy working environment

4.Compliance

- Compliance with laws
- Compliance with competition laws
- Preventing corruption
- Refusing relations with antisocial forces
- Managing and protecting confidential information
- Managing export trading
- Protecting intellectual property

5.Information Disclosure

- Information disclosure to Stakeholders

● Suzuki Green Procurement Guideline

Please refer to the following URL for our initiatives for promotion of green procurement.

*Green procurement guideline https://www.globalsuzuki.com/corporate/environmental/green_policy/pdf/suzukiGreenGuideline.pdf

11-Year Financial/Non-Financial Data

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		Unit	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Automobile	Production unit	Thousand units	2,494	2,545	2,878	2,803	2,878	2,857	3,043	2,951	3,074	3,338	3,394
	Domestic production		1,139	959	994	1,020	1,044	998	1,055	861	871	971	1,011
	Overseas production		1,355	1,586	1,884	1,782	1,834	1,859	1,988	2,090	2,203	2,367	2,383
	Of which India		774	1,028	1,273	1,134	1,169	1,153	1,308	1,424	1,585	1,781	1,850
	Sales unit	Thousand units	2,305	2,350	2,643	2,560	2,661	2,709	2,867	2,861	2,918	3,224	3,327
	Domestic production		665	622	588	596	672	728	756	630	639	668	725
	Overseas production		1,641	1,729	2,055	1,964	1,989	1,981	2,111	2,231	2,279	2,556	2,602
	Of which India		722	871	1,133	1,006	1,051	1,054	1,171	1,305	1,445	1,654	1,754
	Sales unit of hybrid models	Thousand units	–	–	–	–	–	–	55	249	389	462	561
	Motorcycle	Production unit	Thousand units	3,305	2,904	2,735	2,574	2,269	2,033	1,799	1,480	1,370	1,627
Domestic production		312		162	185	174	169	180	154	122	141	152	115
Overseas production		2,993		2,743	2,550	2,400	2,100	1,852	1,645	1,358	1,229	1,475	1,632
Sales unit		Thousand units	3,350	3,019	2,695	2,589	2,312	2,022	1,764	1,501	1,367	1,580	1,743
Domestic production			128	78	79	78	76	74	67	61	62	60	57
Overseas production			3,222	2,941	2,616	2,511	2,236	1,948	1,697	1,440	1,305	1,516	1,686

		Unit	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Number of employees		Person	14,266	14,504	14,532	14,389	14,405	14,571	14,751	14,932	15,138	15,269	15,431
	Male		13,074	13,222	13,269	13,147	13,140	13,260	13,347	13,467	13,603	13,711	13,808
	Female		1,192	1,282	1,263	1,242	1,265	1,311	1,404	1,465	1,535	1,558	1,623
	Of which managers		–	–	–	–	–	–	926	965	1,014	1,049	1,080
	Male		–	–	–	–	–	–	921	957	1,004	1,037	1,066
	Female		–	–	–	–	–	–	5	8	10	12	14
New employment		Person	1,142	1,037	249	306	427	588	571	635	794	642	563
	Male		988	879	232	268	364	496	496	532	674	541	445
	Female		154	158	17	38	63	92	75	103	120	101	118
	Of which college graduates		660	625	230	280	367	446	462	472	585	456	475
	Male		605	573	214	247	328	404	425	412	523	396	396
	Female		55	52	16	33	39	42	37	60	62	60	79
Turnover rate	%	–	–	–	–	–	–	–	4.3	4.1	3.8	4.2	3.9
Number of employees (consolidated)	Person	50,613	51,503	52,731	54,484	55,948	57,749	57,409	61,601	62,992	65,179	67,721	

		Unit	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net sales		Billion yen	3,004.8	2,469.1	2,608.2	2,512.2	2,578.3	2,938.3	3,015.5	3,180.7	3,169.5	3,757.2	3,871.5
	Automobile		2,483.9	2,160.8	2,302.0	2,209.0	2,297.8	2,615.7	2,702.0	2,878.5	2,895.6	3,435.8	3,532.5
	Motorcycle		454.3	262.9	257.7	254.8	230.3	266.6	250.5	233.9	206.3	246.4	255.1
	Marine, etc.		66.6	45.4	48.5	48.4	50.2	56.0	63.0	68.3	67.6	75.0	83.9
	Domestic sales		965.5	952.6	937.4	986.8	1,040.9	1,132.7	1,094.6	1,047.9	1,037.5	1,116.7	1,252.4
	Overseas sales		2,039.3	1,516.5	1,670.8	1,525.4	1,537.4	1,805.6	1,920.8	2,132.8	2,132.0	2,640.5	2,619.1
	Europe		737.7	451.1	395.1	350.9	286.5	398.9	372.0	404.7	425.3	510.6	524.8
	North America		234.8	131.8	99.0	105.3	95.6	65.1	66.0	67.0	56.1	62.5	70.8
	Asia		791.8	771.7	973.0	886.3	985.4	1,112.0	1,214.5	1,394.7	1,393.0	1,773.2	1,762.3
	Others		274.8	161.8	203.5	182.9	169.9	229.7	268.3	266.3	257.6	294.2	261.2
Operating income		Billion yen	76.9	79.4	106.9	119.3	144.6	187.7	179.4	195.3	266.7	374.2	324.4
Ordinary income	79.7		93.8	122.5	130.6	155.6	197.8	194.3	209.1	286.7	382.8	379.5	
Net income	27.4		28.9	45.2	53.9	80.4	107.5	96.9	116.7	160.0	215.7	178.8	
Capital expenditures		Billion yen	216.2	120.2	130.3	126.7	169.3	213.6	194.5	171.5	198.8	213.4	268.9
Depreciation expenses	141.2		141.8	138.4	103.1	93.7	117.2	134.4	168.3	163.4	150.9	148.9	
R&D expenses	115.0		108.8	104.1	109.8	119.3	127.1	125.9	131.0	131.5	139.4	158.1	
Interest-bearing debt		Billion yen	681.3	547.0	484.6	439.8	427.5	445.3	554.7	529.3	639.9	577.9	375.4
Total assets	2,157.8		2,381.3	2,224.3	2,302.4	2,487.6	2,874.1	3,252.8	2,702.0	3,116.0	3,340.8	3,402.0	
Net assets	742.9		1,089.8	1,107.0	1,111.8	1,298.6	1,494.4	1,701.4	1,187.7	1,387.0	1,595.2	1,715.9	
Shareholders' equity ratio	%		29.6	40	43.6	42.9	46.1	46.2	45.6	35.4	35.9	38.8	40.9
Net income per share, Basic	Yen		61.68	62.76	80.65	96.06	143.31	191.6	172.67	234.98	362.54	488.86	395.26
Cash dividends per share (annual)			16	12	13	15	18	24	27	32	44	74	74
ROE	%		3.9	3.6	4.7	5.5	7.5	8.7	6.9	9.6	15.4	17.9	13.3

Financial Review

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Business Segments and Scope of Consolidation

The corporate group of the Company consists of subsidiaries of 132 companies and affiliates of 31. The main businesses are manufacturing and marketing of automobiles, motorcycles, outboard motors, motorised wheelchairs, electro senior vehicles and houses, further developing the businesses of logistics and other services related to the respective operations.

[Significant notes that are fundamental in making the consolidated financial statement]

- Note regarding scope of consolidation
... Consolidated subsidiaries 130 companies
- Note regarding scope of equity method
... Affiliates accounted for using equity method 28 companies

Management results of FY2018

With respect to the management environment of the Group for FY2018, according to the raise of interest rates in the US, the economy of emerging countries slowed down owing to the depreciation of currencies and the raise of interest rates. Moreover, the world economy is becoming more unclear owing to the trade conflict between the US and China and the problem of Brexit. The Indian macro environment was improved owing to the reduction of interest rates and the currency stability. In Japan, the economy is recovering moderately owing to the government policies, but it is necessary to keep a close watch on the situation of the world economy as a whole. Furthermore, as awareness of environmental issue by the overall society is increasing, environmentally conscious management and regulatory compliance in various countries are becoming more and more significant for the Group.

Under these circumstances, the consolidated net sales for FY2018 increased by ¥114.3 billion (3.0%) to ¥3,871.5 billion year-on-year. The operating income decreased by ¥49.8 billion (13.3%) to ¥324.4 billion year-on-year mainly owing to the impact of depreciation of currencies of emerging countries including the Indian Rupee and the increase in various expenses. The ordinary income decreased by ¥3.3 billion (0.9%) to ¥379.5 billion year-on-year. Decrease in ordinary income was kept at this level partly owing to increase in interest income and improvement in equity in earnings/losses of affiliates. The net income attributable to owners of the parent decreased by ¥36.9 billion (17.1%) to ¥178.8 billion year-on-year mainly owing to accounting extraordinary loss of ¥81.3 billion for conducting recall campaign in Japan.

Operating results by business segmentation

[Automobile Business]

The overseas automobile net sales decreased year-on-year mainly owing to the impact of depreciation of currencies of emerging countries. However, the net sales of the automobile business increased by ¥96.7 billion (2.8%) to ¥3,532.5 billion year-on-year by covering the decrease in the overseas automobile net sales with the increase in the Japanese domestic automobile net sales, which increased year-on-year mainly owing to the sales contribution of Spacia and XBEE. The operating income decreased by ¥51.3 billion (14.4%) to ¥303.8 billion year-on-year mainly owing to the impact of increase in various expenses, in addition to depreciation of currencies of emerging countries.

[Motorcycle Business]

The net sales increased by ¥8.7 billion (3.5%) to ¥255.1 billion year-on-year mainly owing to the increase in sales in India, Indonesia, and the Philippines. The operating income decreased by ¥1.0 billion (21.2%) to ¥3.6 billion year-on-year mainly owing to the decrease in sales of large displacement models in Europe.

[Marine Business, etc.]

The net sales increased by ¥8.9 billion (11.8%) to ¥83.9 billion year-on-year, and the operating income increased by ¥2.5 billion (16.9%) to ¥17.0 billion year-on-year mainly owing to the sales contribution of large outboard motor DF350A in North America.

R&D Expenses

R&D expenses of the Group for FY2018 were ¥158.1 billion, and their breakdown by segment is as per below.

Segment	R&D Expenses
Automobile business	¥137.8 billion
Motorcycle business	¥17.2 billion
Marine business, etc.	¥3.1 billion
Total	¥158.1 billion

Capital Expenditures

Capital expenditures for FY2018 were ¥268,945 million, which were used for production, R&D, and marketing facilities. Breakdown by segment is as per below.

Segment	R&D Expenses	Facilities	Financing
Automobile business	¥245,597 million	Production, R&D, and marketing facilities, etc. of automobiles	Self-financing and outside financing
Motorcycle business	¥19,405 million	Production, R&D, and marketing facilities, etc. of motorcycles	Same as above
Marine business, etc.	¥3,942 million	Production, R&D, and marketing facilities, etc. of outboard motors	Same as above
Total	¥268,945 million		

Note

- The above amounts do not include consumption tax, etc.
- Capital expenditure amount is a total of the Company and its subsidiaries.
- Investment in each segment are as per below.
In the automobile business, the Company made capital expenditure of ¥42,990 million, which includes expansion of production ability and production facilities for new models. Maruti Suzuki India Ltd. also made capital expenditure of ¥72,946 million, which includes expansion of production ability, production facilities for new models, and maintenance and expansion of sales networks. Suzuki Motor Gujarat Private Ltd. made capital expenditure of ¥64,299 million, which includes expansion of production ability.
In the motorcycle business, the Company made capital expenditure of ¥12,701 million, which includes expansion of production ability.

Liquidity and Source of Funds

[Financial Position]

Purchase of convertible bond with stock acquisition rights of ¥200 billion issued in April 2016, which was to be used for growth investments such as in India, proceeded due to hike in stock price in August 2018. Consequently, at the end of FY2018, they decreased to ¥11.5 billion, and total liabilities decreased by ¥59.5 billion to ¥1,686.1 billion from the end of previous fiscal year. On the other hand, net assets increased by ¥120.7 billion to ¥1,715.9 billion from the end of previous fiscal year mainly owing to increase in shareholders' equity due to accounting retained earnings. As a result, total assets increased by ¥61.2 billion to ¥3,402.0 billion from the end of previous fiscal year, finally recovering the shareholders' equity ratio to 40.9%, which had been breaking below the 40% line since the acquisition of treasury shares of ¥460.3 billion in September 2015. However, capital expenditures in FY2018 were record-high of ¥268.9 billion, and the Company continues to plan a high level of capital expenditures of ¥270.0 billion for the next fiscal year.

In order to enable these capital expenditures, smooth financing and improvement of shareholders' equity are significant matters for the Company.

[Capital Resources, Liquidity of Funds, and Cash Flows]

Cash flow provided by operating activities for FY2018 amounted to ¥383.4 billion (¥445.2 billion was provided in the previous fiscal year), and ¥250.8 billion was used for investment in enhancement of ability in India, investments in new models in production sites, and others (¥341.6 billion was used in the previous fiscal year). As a result, free cash flow amounted to ¥132.6 billion of positive (¥103.6 billion of positive for the previous fiscal year). In financing activities, ¥256.1 billion was used by purchase of convertible bond with stock acquisition rights etc. (¥113.9 billion was used in the same period of the previous fiscal year).

As a result, the balance of cash and cash equivalents at the end of FY2018 was ¥473.1 billion, which decreased by ¥127.7 billion from the end of the previous consolidated fiscal year.

Basic Policy on Profit Distribution and Dividends

Under the Mid-Term Management Plan SUZUKI NEXT 100 (from FY2015 to FY2019), the company prioritises investment for growth, and set the dividend payout ratio target to 15% or more. Regarding consolidated results for the fiscal year, profit decreased significantly compared with the previous fiscal year due to an extraordinary loss caused by the recall campaign. Since the Company views shareholder returns as one of the key management issues and considering stable dividends, the Company made ¥74.00 per share as the annual dividend of the fiscal year, which is the same amount as in the previous fiscal year, and ¥37.00 per share as the year-end dividend. As for the usage of internal reserves, the Company plans to use them for various investments such as implementation of preventive

measures for improper conducts in final inspection, investment for further enhancement of quality and safety, investment into growing market including India, dealing global environmental concerns, and R&D for making valuable products such as safety technologies and information and communication technologies.

In line with our basic policy, the surplus is distributed twice a year in the forms of the interim dividend and the year-end dividend. According to the resolution of our Board of Directors, the interim dividend is available for the shareholders as of 30 September every year as the record date, which is stipulated in our company contract. The decision-making meetings for the dividends are the Board of Directors for the interim dividend, and the shareholder meeting for the year-end dividend.

Consolidated Financial Statement

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Consolidated Balance Sheets

(Amount: Millions of yen)

	FY2017 (As of 31 March 2018)	FY2018 (As of 31 March 2019)
Assets		
Current assets		
Cash and deposits	690,418	509,717
Notes and accounts receivables-trade	388,973	445,700
Short-term investment securities	256,695	189,046
Merchandise and finished goods	253,999	238,013
Work in process	48,954	54,033
Raw materials and supplies	49,962	59,850
Other	135,237	131,075
Allowance for doubtful accounts	(5,252)	(5,120)
Total current assets	1,818,988	1,622,317
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	160,990	185,779
Machinery and equipment, net	199,051	252,596
Tools, furniture and fixtures, net	56,962	76,337
Land	280,866	299,977
Construction in progress	106,393	89,585
Total property, plant and equipment	804,265	904,276
Intangible assets		
Goodwill	237	135
Other	2,319	2,152
Total intangible assets	2,556	2,288
Investments and other assets		
Investment securities	543,485	635,184
Long-term loans receivable	758	711
Assets for retirement benefits	42	–
Deferred tax assets	145,563	198,422
Other	25,692	39,342
Allowance for doubtful accounts	(402)	(379)
Allowance for investment loss	(124)	(193)
Total investments and other assets	715,017	873,088
Total noncurrent assets	1,521,839	1,779,653
Total assets	3,340,828	3,401,970

(Amount: Millions of yen)

	FY2017 (As of 31 March 2018)	FY2018 (As of 31 March 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	443,916	327,373
Electronically recorded obligations	68,322	71,532
Short-term loans payable	97,598	93,807
Current portion of long term loans payable	93,157	63,845
Accrued expenses	215,335	297,200
Income taxes payable	40,598	34,661
Provision for product warranties	105,106	248,199
Provision for directors' bonuses	70	77
Other	177,234	202,963
Total current liabilities	1,241,341	1,339,662
Noncurrent liabilities		
Bonds with subscription rights to shares	194,211	11,535
Long-term loans payable	192,943	206,250
Deferred tax liabilities	2,105	2,895
Provision for directors' retirement benefits	1,161	1,161
Provision for disaster	1,914	436
Provision for product liabilities	4,529	4,890
Provision for recycling expenses	7,804	10,255
Liabilities for retirement benefits	65,224	82,813
Other	34,364	26,154
Total noncurrent liabilities	504,259	346,393
Total liabilities	1,745,601	1,686,055
Net assets		
Shareholders' equity		
Capital stock	138,064	138,161
Capital surplus	143,868	143,965
Retained earnings	1,247,242	1,314,587
Treasury stock	(189,126)	(113,963)
Total shareholders' equity	1,340,047	1,482,750
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108,528	95,873
Deferred gains or losses on hedges	22	(219)
Foreign currency translation adjustment	(140,136)	(164,544)
Accumulated adjustment for retirement benefit	(10,925)	(21,369)
Total accumulated other comprehensive income	(42,511)	(90,260)
Subscription rights to shares	126	115
Non-controlling interests	297,564	323,309
Total net assets	1,595,227	1,715,914
Total liabilities and net assets	3,340,828	3,401,970

Consolidated Financial Statement

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Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Amount: Millions of yen)

	FY2017 (1 April 2017 – 31 March 2018)	FY2018 (1 April 2018 – 31 March 2019)
Net sales	3,757,219	3,871,496
Cost of sales	2,651,473	2,738,958
Gross profit	1,105,745	1,132,538
Selling, general and administrative expenses	731,563	808,172
Operating income	374,182	324,365
Non-operating income		
Interest income	32,559	51,206
Dividend income	3,073	3,688
Reversal of allowance for doubtful accounts	–	14
Rent income on noncurrent assets	1,708	1,563
Equity in earnings of affiliates	–	5,029
Other	10,367	17,905
Total non-operating income	47,709	79,406
Non-operating expenses		
Interest expenses	8,152	4,241
Loss on valuation of securities	352	257
Depreciation of assets for rent	362	318
Provision of allowance for doubtful accounts	97	–
Provision of allowance for investment loss	106	69
Foreign exchange losses	8,401	2,853
Equity in losses of affiliates	13,870	–
Contribution	846	3,797
Loss of liquidation of subsidiaries and affiliates	–	4,446
Other	6,915	8,258
Total non-operating expenses	39,104	24,241
Ordinary income	382,787	379,530
Extraordinary income		
Gain on sales of noncurrent assets	2,797	1,763
Gain on sales of investment securities	1,281	158
Total extraordinary income	4,079	1,922
Extraordinary loss		
Loss on sales of noncurrent assets	247	210
Loss on sales of investment securities	–	9
Impairment loss	2,585	1,514
Measure expenses for final inspection	–	81,329
Total extraordinary loss	2,833	83,062
Income before income taxes etc.	384,033	298,390
Income taxes-current	121,527	103,503
Income taxes-deferred	(12,933)	(42,000)
Income taxes	108,593	61,502
Net income	275,439	236,887
Net income attributable to non-controlling interests	59,709	58,128
Net income attributable to owners of the parent	215,730	178,759

Consolidated Statement of Comprehensive Income

(Amount: Millions of yen)

	FY2017 (1 April 2017 – 31 March 2018)	FY2018 (1 April 2018 – 31 March 2019)
Net income	275,439	236,887
Other comprehensive income		
Valuation difference on available-for-sale securities	16,036	(16,012)
Deferred gains or losses on hedges	(1,232)	(214)
Foreign currency translation adjustment	(35,936)	(25,318)
Adjustment for retirement benefits	(514)	(10,848)
Share of other comprehensive income of affiliates accounted for using equity method	234	(6,565)
Total other comprehensive income	(21,411)	(58,958)
Comprehensive income	254,027	177,928
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	202,870	131,010
Comprehensive income attributable to non-controlling interests	51,157	46,918

Consolidated Statement of Cash Flows

(Amount: Millions of yen)

	FY2017 (1 April 2017 – 31 March 2018)	FY2018 (1 April 2018 – 31 March 2019)
Net cash provided by (used in) operating activities		
Income before income taxes	384,033	298,390
Depreciation and amortization	150,877	148,926
Impairment loss	2,585	1,514
Increase (decrease) in allowance for doubtful accounts	(81)	(112)
Increase (decrease) in provision for product warranties	27,742	143,410
Interest and dividends income	(35,633)	(54,894)
Interest expenses	8,152	4,241
Foreign exchange losses (gains)	1,064	996
Equity in (earnings) losses of affiliates	13,870	(5,029)
Loss (gain) on sales of property, plant and equipment	(2,550)	(1,553)
Loss (gain) on sales of investment securities	(1,281)	(158)
Decrease (increase) in notes and accounts receivable-trade	(41,940)	(60,053)
Decrease (increase) in inventories	(23,449)	(7,431)
Increase (decrease) in notes and accounts payable-trade	5,710	(107,695)
Increase (decrease) in accrued expenses	29,720	84,193
Other, net	11,325	(3,869)
Subtotal	530,146	440,875
Interest and dividends income received	36,062	55,057
Interest expenses paid	(8,649)	(3,636)
Income taxes paid	(112,387)	(108,858)
Net cash provided by (used in) operating activities	445,171	383,437
Net cash provided by (used in) investing activities		
Payments into time deposits	(141,102)	(88,201)
Proceeds from withdrawal of time deposits	96,086	138,195
Purchase of short-term investment securities	(729,488)	(819,445)
Proceeds from sales and redemption of securities	775,840	730,247
Purchases of property, plant and equipment	(205,854)	(251,507)
Other, net	(137,066)	39,874
Net cash provided by (used in) investing activities	(341,585)	(250,848)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,443	(125)
Proceeds from long-term loans payable	57,000	78,779
Repayment of long-term loans payable	(120,874)	(95,001)
Amortization by purchase of convertible bond with stock acquisition rights	(6,070)	(182,400)
Purchase of treasury stock	(6)	(7)
Cash dividends paid	(25,146)	(36,340)
Dividends paid to non-controlling interests	(20,789)	(20,819)
Other, net	521	(194)
Net cash provided by (used in) financing activities	(113,922)	(256,110)
Effect of exchange rate changes on cash and cash equivalents	(2,848)	(4,228)
Net increase (decrease) in cash and cash equivalents	(13,185)	(127,749)
Cash and cash equivalents at beginning of period	614,031	600,846
Cash and cash equivalents at end of period	600,846	473,097

Company Information/Stock Information

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Company Name	■ SUZUKI MOTOR CORPORATION
Date of Incorporation	■ March 1920 Incorporated as Suzuki Loom Manufacturing Co. June 1954 Name changed to Suzuki Motor Co., Ltd. October 1990 Name changed to Suzuki Motor Corporation
Representative	■ Representative Director and President Toshihiro Suzuki
No. of Employees	■ [Consolidated] 67,721 [Non-consolidated] 15,431 (as of 31 March 2019)
Net Sales	■ [Consolidated] 3,871,496 million yen [Non-consolidated] 1,940,224 million yen (FY2018)
Head Office	■ 300 Takatsuka-cho, Minami-ku, Hamamatsu, Shizuoka 432-8611 Japan Website Address: https://www.globalsuzuki.com
Fiscal Year-End	■ 31 March
Public Accounting Firm	■ Seimei Audit Corporation
Main Products	■ Automobiles, Motorcycles, Outboard Motors, Motorised Wheelchairs, etc.
Main Facilities	■ Head Office Hamamatsu, Shizuoka Kosai Plant Kosai, Shizuoka Iwata Plant Iwata, Shizuoka Osuka Plant Kakegawa, Shizuoka Sagara Plant Makinohara, Shizuoka Hamamatsu Plant Hamamatsu, Shizuoka Tokyo Branch Office Minato-ku, Tokyo Yokohama Lab. Yokohama, Kanagawa Motorcycle Technical Center Iwata, Shizuoka Marine Technical Center Kosai, Shizuoka

Suzuki Group Companies (as of 31 March 2019)

Consolidated subsidiaries 130 companies

<Japan>

Consolidated subsidiaries in Japan 70 companies

Manufacturing companies including Suzuki Auto Parts Mfg. Co., Ltd., Snic Co., Ltd., etc.

Sales companies including Suzuki Motor Sales Tokyo Inc., Suzuki Motor Sales Kinki Inc., etc.

<Overseas>

Overseas consolidated subsidiaries 60 companies

Manufacturing companies including Maruti Suzuki India Ltd. (India),

Pak Suzuki Motor Co., Ltd. (Pakistan),

PT. Suzuki Indomobil Motor (Indonesia),

Suzuki Motor (Thailand) Co., Ltd. (Thailand),

Magyar Suzuki Corporation Ltd. (Hungary), etc.

Sales companies including Suzuki Deutschland GmbH (Germany), etc.

Consolidated Statement of Cash Flows (as of 31 March 2019)

- Capital ¥138,161 million
- Total number of authorised shares 1,500 million
- Total number of shares issued 491,049,100
- Number of shareholders 31,354
- Stock Listing Tokyo Stock Exchange
- Securities Code 7269
- Ordinary General Meeting of Shareholders June
- Record Dates Ordinary General Meeting of Shareholders 31 March
..... Year-End Dividend 31 March
..... Interim Dividend 30 September
- Shareholders' Register Manager Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Top Ten Largest Shareholders

Name of Shareholders	Number of Shares (1,000 shares)	Percentage of Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	43,668	9.5
Japan Trustee Services Bank, Ltd. (Trust Account)	25,344	5.5
Tokio Marine & Nichido Fire Insurance Co., Ltd.	17,961	3.9
MUFG Bank, Ltd.	16,000	3.5
JP Morgan Chase Bank 380055	13,071	2.8
Resona Bank, Ltd.	13,000	2.8
The Shizuoka Bank, Ltd.	12,600	2.7
Sompo Japan Nipponkoa Insurance Inc.	7,761	1.7
Nippon Steel & Sumitomo Metal Corporation	7,759	1.7
The Bank of New York Mellon 140042	7,737	1.7

(Note) 1. Number of shares less than 1,000 is truncated.

2. Percentage of Shareholding is calculated excluding treasury stock (29,651 thousand shares).